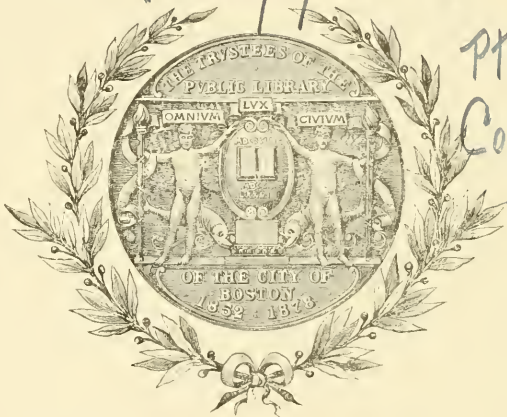




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pt. 8

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

## HEARINGS

BEFORE THE

SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE

UNITED STATES SENATE

EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO .

### S. Res. 202

(81st Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF  
ORGANIZED CRIME IN INTERSTATE COMMERCE

PART 8

LOUISIANA

JANUARY 25, 26; FEBRUARY 7, 1951

Printed for the use of the Special Committee To Investigate  
Organized Crime in Interstate Commerce

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UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1951

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN  
INTERSTATE COMMERCE

**ESTES KEFAUVER**, Tennessee, *Chairman*

HERBERT R. O'CONNOR, Maryland

CHARLES W. TOBEY, New Hampshire

LESTER C. HUNT, Wyoming

ALEXANDER WILEY, Wisconsin

RUDOLPH HALLEY, *Chief Counsel*



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<sup>1</sup> On file with committee.

<sup>2</sup> Written into record.



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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THURSDAY, JANUARY 25, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*New Orleans, La.*

The committee convened at 9:30 a. m. Thursday, January 25, 1951, Senator Estes Kefauver (chairman) presiding.

Present: Senator Kefauver.

- Also present: Downey Rice, associate counsel; Alfred M. Klein, associate counsel; George H. Martin, investigator; Ralph W. Mills, investigator; Lt. George Butler, Dallas Police Department, Dallas, Tex.

Walter H. Hickman, official court reporter, United States District Court, Eastern District of Louisiana, was sworn by the chairman correctly to report and transcribe the proceedings of the committee.

The CHAIRMAN. I think before we start with our hearing that I might make a preliminary statement and announcement.

In the first place, on behalf of the committee staff, we want to very sincerely thank many people, too many to mention all of them individually, for their hospitality and their assistance in helping us with this investigation: Mayor Morrison, mayor of the city; Joseph Scheuering, superintendent of police; Judge Wright, the judge of the United States district court, who has made this hearing room available for us, and for which we are very grateful; Mr. McKay, the district attorney, who has been very helpful; Mr. Knop, the marshal; Mr. MacDougall, of the civil service; Mr. Lambert, of the intelligence service; Mr. McGuire, of the Bureau of Narcotics; Mr. Taylor, of the alcohol tax unit; and many other State, local, and Federal officials and agencies, have all been very cooperative; also Mr. Kiley, when he was here in June of last year, making the preliminary investigation; and Mr. Wright and Mr. Klein, and members of our staff, who have been here preparing for this hearing.

I might also, at this time, introduce to those who may not know them: Mr. Rice, associate counsel, who has taken the lead in the last preparation of the investigation for hearing, who is on my left; our associate counsel, Mr. Klein, who is on my right: Mr. Pat Kiley, who was here in June and prepared a very extensive investigation; Mr. Butler, whom we borrowed from the Dallas police force and who has been working in New Orleans with the committee; Mr. George Martin, of our staff, and Ralph Mills, who has headed up our investigation in the State of Florida, in Miami, and in Tampa.

We also have two members of our staff whom we have on loan from the San Francisco police force, Frank Ahern and Tom Cahill, who are around here somewhere.

It might also be well to state in a general way—first let me say Senator O'Connor was supposed to come down as the chairman of the subcommittee to hold this hearing, and he had looked forward to coming to New Orleans, this beautiful city, but a last-minute obligation, of which he could not relieve himself, made it necessary for him to change his plans, so I am pinch hitting for him.

The purpose of our inquiry, as all of you know, is to try to find out what criminal and racketeering and gambling operations are operating in interstate commerce in the United States, and what protection they receive, if we find these operations existing.

The only purpose of the committee is to find out the over-all Nation-wide facts in order to make a report to the Senate of the United States for the purpose of either amending existing laws or passing new legislation to try to assist the States and the Federal Government in breaking up commercialized interstate operations; in other words, to see what if anything further can be done to deny the use of the vehicle of interstate commerce to any racketeers or criminals who might be operating across State lines.

In connection with interstate operations, I think I might also define briefly the scope of what we have been looking into.

Wire-service operations, where news is collected in one section of the country and passed to another across State lines, is of course a definite interstate operation.

Where big-time racketeering or gambling goes on, where there are people living in one State and doing business in another, that is, of course, an interstate operation in which this committee is interested.

Other violations of the State law, where there are clearances through banks of one State into another, correspondence through the mails as an integral part of the operation, that is, of course, a matter that we are interested in.

We are naturally interested in any violations of the Federal laws, such as narcotics, and transportation of stolen automobiles from one State to the other in violation of the Dyer Act, and the various Federal statutes.

It is definitely not our province to pass upon or to make recommendations to local communities or to States as to the wisdom or lack of wisdom of their particular laws or ordinances. Also, it necessarily cannot be part of our province to have hearings about and try to ferret out all local criminal situations and try to pass judgment on law-enforcement officers in the various cities to which we go. That is a matter, of course, for the local community and for the States, and manifestly if we got into that kind of business we could probably spend 6 months in most any of the large or major cities in the United States, maybe 10 years throughout the country, and then start all over again.

It is necessary that we complete our investigation by March 31, unless we secure a short extension, so that we can only hit the high points.

I do not want our presence in New Orleans here to be interpreted as a condemnation of this great and beautiful city. We are here because we consider this section does have some operations which are

of importance in the interstate picture, and that it is one of the nerve centers for the kinds of operations in which we are interested.

We have had hearings in Miami and Tampa, Philadelphia, New York-New Jersey area, Washington, Kansas City, St. Louis, Cleveland, Chicago, Las Vegas, San Francisco, Los Angeles, and we have had witnesses from various other parts of the country. We will, of course, have hearings in other major cities of the country.

Another thing that I want to stress is that the appearance or non-appearance of a witness who may have been called on to testify is not to be taken as an indication of his involvement in anything that is improper one way or the other. Also that this is not a court; it is not a grand jury; we are not interested and have no jurisdiction to punish anyone unless they are in contempt of the committee for refusing to answer a proper question. We are not trying to put anyone in jail, nor are we primarily interested in trying to reform anybody's morals. Of course we would like to do that if we could, but that is not our province. We want to try to get the over-all Nation-wide picture.

We are grateful for the cooperation we have received, and we hope that the witnesses will assist us in trying to get the facts that may be developed here.

I think I should also say that under the Federal statute testimony given here in question and answer form cannot as such be used in any other proceeding. That is, if a witness says something here it can't be, over objection, repeated in some court.

Another thing that I want to announce and hope that the press will carry is: That we are not here to smear anybody and we are not here to protect anybody. As far as our jurisdiction is concerned, we want to bring out the essential facts and let the chips fall where they may. I know that some people have different angles about matters they would like to have the committee go into. We will have to decide as we go along what we think is important and what we think is relevant. But we are not here to grind anybody's ax, or to prevent any testimony from coming out, or to smear or protect anyone.

Then, also, necessarily in a hearing of this sort, while we try to prevent it altogether, or hold it to a minimum, it is inevitable that some people's names will be brought out who might feel that they have been disparaged or that the truth was not told about them, or that the matter has not been fully explained. We do not want to hurt the reputation of any good citizen. We want to give everybody a chance to make any explanation or denial or enlargement of any statement that may be made about them, so if anybody feels that they have been testified about unjustly, we invite them to let me or the staff immediately know, and on the same day that the statement has been given, we will undertake to give them a reasonable opportunity to be heard, to rebut, or to explain anything that may have been stated.

On the suggestion of counsel, Mr. Downey Rice, in order to make it quite clear just what our resolution provides for, I think I should read it into the record at this time. Senate Resolution 202 provides, in the principal part:

The committee is authorized and directed to make a full and complete study and investigation of whether organized crime utilizes the facilities of interstate commerce in furtherance of any transactions which are in violation of the laws of the United States or of the State in which the transactions occur,

and if so the manner and extent to which the identity of the persons, firms, or corporations by which such utilization is being made, what facilities are being used, and whether or not organized crime utilizes such for the development of corrupting influences in violation of the laws of the United States or of the laws of any State.

Now it will be our effort to try to conclude these hearings in 2 days. We may have to have night sessions both nights. At noon today we will be able to make an announcement as to whether we will have a session tonight. We have some witnesses upon whom we have tried to secure service of subpoena that we have not been able to find. There may be some possibility they do not know they are wanted in order that we may talk with them at this hearing.

Mr. Rice, who are the witnesses? You read them out. I can't remember their names.

Mr. RICE. The witnesses for whom subpoenas have been issued and we have been unable to locate, and for whom we would appreciate any information which would help us to do so, are Henry Mills, Arthur Mills, Frank Mills, Osmon Litolf, and Henry Muller.

The CHAIRMAN. At this point, also, I want to enter into the record the resolution authorizing the chairman to appoint a subcommittee to hold hearings and to take testimony:

SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
December 22, 1950.

*Resolved*, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of whom one member shall be a quorum for the purpose of taking testimony and all other committee acts, to hold hearings at such time and places as the chairman might designate, in furtherance of the committee's investigations of organized crime, in the vicinities of the cities of Tampa, Fla., and New Orleans, La.

ESTES KEFAUVER, *Chairman*.  
HERBERT R. O'CONNOR.  
LESTER C. HUNT.

The marshal might check and see if any of those witnesses are here today.

Deputy Marshal BURGLASS. They are not back there.

The CHAIRMAN. Our first witness to give us a general picture of the matter, probably, is Mayor deLesseps Morrison.

Mayor Morrison, will you come around?

Mr. EDMOND E. TALBOT. Mr. Chairman, I am Mr. Talbot. I am an attorney and I represent certain clients.

The CHAIRMAN. Let's get your full name, sir.

Mr. TALBOT. Edmond E. Talbot.

The CHAIRMAN. Yes?

Mr. TALBOT. I represent clients—

The CHAIRMAN. Whom do you represent, Mr. Talbot?

Mr. TALBOT. Mr. Clancy and Mr. Cassagne.

The CHAIRMAN. All right, Mr. Talbot.

Mr. TALBOT. I am not trying to suggest or dictate to you, Mr. Chairman, as to how your affairs will be conducted, I know I cannot, but the press has carried a story to the effect that certain witnesses will be heard today, and there are a great number of witnesses and a great number of attorneys involved, and I was wondering if before you proceeded with Mr. Morrison you could call the witnesses, let them appear, and then let us know when we will be wanted.



Mr. DOWLING. This is Richard Dowling. I represent Sheriff C. F. Rowley and represent Criminal Sheriff John E. Grosch—Chief Rowley, of St. Bernard Parish—and we would ask the committee the same thing, Senator, if you will let us know.

The CHAIRMAN. Yes. I had in mind, after Mayor Morrison's testimony, to call the roll of the witnesses that we have subpoenaed, and certain ones we had asked to bring in certain books and records. Others we have already received. Then to try to work out a schedule for the convenience of the witnesses and the attorneys.

Mayor, how long will your statement require?

Mayor MORRISON. My statement will be about 25 minutes.

Mr. DOWLING. I might say, Mr. Chairman, as far as books are concerned, we have Sheriff Rowley's books whenever you are ready for them. We will produce them any time you wish them. If the mayor would not take but 25 minutes, I suppose at that time you can take up that question.

The CHAIRMAN. Well, Mayor Morrison, suppose you stand aside for the time being and let's call the witnesses and see which ones have books and records. Then I think we can work something out.

Mr. GUS LEVY. I represent Maurice I. Roufa, from the Louisiana News Co. He has been asked to bring some records.

The CHAIRMAN. All right, let's go down the list of some of the witnesses we called to bring records.

We have two men who will help with the records and who will be here rather shortly. Will it be inconvenient for you attorneys to wait for 20 or 25 minutes until they come? Then we will go through the list of the ones that brought records and try to arrange some order in the matter.

Mayor, we will hear you now. I want to say, Mr. Mayor, what I said before, that we do appreciate your cooperation. We appreciate the interest that you have had in this committee, and the chairman has, of course, followed with interest your work in this general matter of the proposition of the American Municipal Association and with the other groups with which you have been associated. We will be glad to have your statement, and then counsel will ask you any questions that we feel are not fully covered.

#### STATEMENT OF DE LESSEPS S. MORRISON, MAYOR, CITY OF NEW ORLEANS, NEW ORLEANS, LA.

Mayor MORRISON. Thank you, Senator Kefauver.

I should like also to say on behalf of the city government that we would like to express our thanks to you, Senator Kefauver, and the committee, for including New Orleans or the New Orleans area in your investigation. Your presence here climaxes a long interest on our part in the over-all problem of organized interstate racketeering and gambling.

New Orleans has had this problem a long time. In late 1948, following my election as president of the American Municipal Association, it became evident to me that we were not, by any means, the only city confronted by the problem of gambling surrounding us on all sides—but whose operations are beyond our jurisdiction. In talking to mayors of other cities it became apparent that our problem here

appeared to be part of a national pattern, where the cities had law enforcement, but the adjoining parishes or counties the exact opposite.

In the late summer of 1949, at a board meeting of the American Municipal Association in Chicago, Mayor Fletcher Bowron, of Los Angeles, and I discussed this problem at some length. We put the matter up to members of our board and thereafter, in September 1949, the American Municipal Association became the first governmental organization to publicly express its interest and concern over the existence and problem of organized interstate crime and gambling. Our association proposed to the Department of Justice a campaign of cooperative action at all levels of government. We pointed out what I would like to restate to you today; that as local officials we fully recognized our responsibility at the local level of government, and are fully aware of our obligation to enforce our local laws. However, so widely separated are the connecting links of this problem which goes across municipal, county, and State lines, and so vast is its scope, that in our opinion the best way to organize against it is through the medium of a thorough, competent, and fearless investigation by the United States Government.

When Senator Kefauver and other members of your committee proposed the creation of your committee, the American Municipal Association and its officers gave aggressive and continued support to your appropriation and the objectives of the proposed investigation.

On February 15, 1951, when I had the honor of representing the AMA at the conference called by Attorney General McGrath, to combat interstate crime and rackets, one of our principal recommendations was support of the Kefauver bill which was then pending before the Congress. Among other things, we proposed Federal legislation against dissemination of illegal racing information, banning interstate and foreign shipment of slot machines, opening up internal-revenue tax records to a coordinated investigating committee, amending the immigration laws to provide for deportation of any naturalized citizen who used fraud or perjury in obtaining the priceless heritage of American citizenship, and the development of a coordinated master plan of action against the whole system of Nation-wide rackets by Federal, State, and local governments and citizen groups, such as those which have distinguished themselves in Miami and Chicago.

Again in March 1950, in representing the American Municipal Association before the McFarland committee, I gave similar testimony and similar recommendations.

Since I am providing each of you with copies of the reports referred to above, plus my recent statement on the subject before the American Municipal Congress in Washington December 4, 1950, I shall not take up your valuable time with the details of these reports.

Now let us turn to the Louisiana situation which, in my opinion, offers a fairly complete case history on how national gambling and racketeering elements aline themselves with local operators in a metropolitan area. First, to fully understand the situation, you must have a brief historical review.

Records of the Federal district court here will show that during the 10-year period prior to 1946, the Louisiana Mint Co., and its predecessor firms, Bayou Novelty and Pelican Novelty, owned and operated

by Frank Costello, Phil Kastel, and others, had slot machines operating openly in bars, restaurants, lunchrooms, and other establishments throughout the city. These machines, illegal and bringing in no tax revenue, were operated not only in defiance of the law, but under some sort of monopolistic arrangement, wherein only the machines of the syndicate were permitted.

During this same period, prior to 1946, gambling establishments operated wide open in the business district and other parts of New Orleans. Handbooks flourished on such an open basis that it was a saying of the times that you could walk the five-block stretch on St. Charles Street, from Canal to city hall, and never miss the results of a single race from the loud-speakers which blared through the open doorways of the bookie parlors.

In addition, the drawing for illegal lotteries were public events attended by many of the credulous and hopeful purchasers of lottery tickets.

In the parishes—counties—of Jefferson and St. Bernard, above and below the city of New Orleans, we had, and still have, one of America's largest concentration of gambling houses. These establishments have always operated wide open in violation of the law and apparently impervious to the sporadic attempts of citizens' groups to obtain action and court orders for their closure.

To return now, for a moment, to the tremendous slot-machine operation, it is a matter of public record in the New York Federal court that Costello testified that he brought his slot machines into Louisiana on the invitation and through arrangement with public officials at that time. That record is available to you and I have no doubt it is a part of your files on this subject. The immense proportions of this racket may be seen in the records of the income-tax trial of Costello, Kastel, and associates in December 1939. They were indicted on charges of conspiracy to evade payment of more than \$500,000 income tax on income approaching \$3,000,000 from the New Orleans slot-machine operations in 1936-37. It is also a matter of record that the defendants were acquitted of conspiracy to evade payment of taxes on grounds that the Government had failed to prove conspiracy.

In December 1945, the United States collector of internal revenue in New Orleans revealed that Federal taxes were being paid on some 5,000 slot machines operating in city limits. The annual take of the syndicate from this one operation was estimated into the millions of dollars per year.

It is my considered opinion that this branch-out into Louisiana in 1936 by Costello and associates was the beginning of an organized national and perhaps international network of slot machines, gambling houses, night clubs, and related activities, some legitimate and some illegitimate. I believe also—and substantial basis for this has been dredged up by the crime commissions of Chicago and Miami, as well as your own committee—that the Costello axis, operating in a loose confederation of mutual interest with the heirs of the Capone gang in Chicago, became a powerful, monopolistic combination of anti-social interests which constitutes a definite menace to the various levels of government.

Meanwhile, here in New Orleans, the syndicate withdrew its operations after the election of the present city administration in January 1946. Just a few weeks prior to that, they had completed the

renovation of the Beverly Country Club in Jefferson Parish, and that was opened in December 1945 as one of the plushest gambling houses and night clubs in the country. The Beverly Country Club continues its operations today under the management of Phil Kastel and, I am informed, Dudley Geigerman, a brother-in-law of Costello, who has been associated with them in the slot-machine business and other enterprises.

Three days before we took office in New Orleans, on May 6, 1946, the syndicate withdrew all of their slot machines from the city; the gambling houses, the books, and lotteries closed down.

We immediately laid down the policy of law enforcement which has since been consistently followed throughout the past 5 years of this administration.

Bruce Smith, nationally known police consultant, was employed to survey the police department, and thereafter we reorganized the department along the lines recommended by him. With the retirement of some of the older captains and other officers, and the expansion of department personnel, we were able to bring in under Civil Service a growing number of young qualified veterans of World War II. Today we are proud of the performance of our police department during the past 5 years, despite handicaps of reduced funds and inadequate personnel. We have only 944 policemen for 600,000 people, about 250 short of the national average.

We say, with some justifiable pride, that in New Orleans today we have achieved the greatest degree of enforcement against gambling and related rackets within recent memory. But, gentlemen, we suffer in New Orleans by virtue of wide-open gambling in the two adjoining parishes. It is only a 10-minute ride to the large gambling houses, and every telephone in New Orleans (some 210,000) are possible sources of handbook violations. We average 20 to 25 policemen on this phase of enforcement alone. In 1950, for example, we arrested and convicted 471 violators, removed 320 telephones used for bookmaking, and notified the telephone company of approximately 400 addresses which should henceforth be refused telephone service.

I also have the report—I am taking a sample here—of the period from August 1 to December 31, the last 5 months of 1950. The action by the vice squad, which is principally the people I am speaking of: 20 to 25 men who worked on that type of operation alone, we had 266 lottery arrests; we had 230 handbook arrests; 165 prostitution arrests; 122 loitering; 25 suspicious, dangerous characters, some 10 B-drinking; 9 breach of peace.

On State acts we had 3 arrests on pay-offs on pinball machines; 100 obscenity, and 100 investigations. This was a report of the vice squad for that 5-month period. That, of course, does not include the arrest on the same subject made in the various precincts.

May I say, with wide-open operations all around us, the degree of gambling law enforcement in New Orleans is dependent generally on how many men we can spare from the vital and major functions of the department, such as traffic enforcement, crime and theft detection, general patrolling and narcotics, auto theft, and so on. And, no matter how hard we work at it, gentlemen, violations continue to crop up, and will do so, we believe, until we get some over-all metropolitan enforcement in this area; that is, until we can rid this section of a

large group of professionals whose sole aim and whose sole business is the continual violation of the laws of the city and the State.

It is a matter of record that we invited the State police into this area last month to add their weight and their manpower to the enforcement of handbook laws in this area. We specifically welcomed any additional arrests that could be made in New Orleans, but at the same time we pointed out that their effort would be wasted unless the State police also raided handbooks in the adjoining parishes on either side of us. The Governor of Louisiana acted promptly; and, although no additional arrests were made in Orleans Parish, the presence of State troopers in the area caused a close-down of the handbooks in Jefferson and St. Bernard. As a result of this, the Fairgrounds Race Track, which is a nonprofit businessman-supported institution, legalized by State law in 1940, has increased its legitimate business and our corresponding tax return approximately 30 percent.

There are those, Senator, who say that the race tracks are no different from other gambling violations. This is an attempt, of course, to justify their own rackets and their own law infringements, and may I say that such talk is only a smoke screen, for we know that a legitimate sports event supported by regulated, legally supervised wagering can be and is a community asset in a tourist center such as New Orleans. The same is the case in Miami, New York, and other places where racing is conducted. Because it is legal, and honestly operated, this necessarily means that there is no place in this particular enterprise for bribery, shake-downs, and huge illegal profits.

And, while speaking of tourists, I'd like to point out one more thing which has often come up in the country. I think it is worth repeating here that there were people back in 1946 who—perhaps even conscientiously, I might say—thought that elimination of gambling from the city would destroy our tourist business. May I say that how wrong have the past 5 years proven those people to be? Instead of decreasing, the tourist business in New Orleans has increased by leaps and bounds, and so has all other general business in this municipal city limits. To meet these demands, our skyline is presently dotted with new hotel additions and many new apartment hotels presently under construction. For the Sugar Bowl season, the Mardi Gras, and the Spring Fiesta time, our city is flooded by full Pullman cities, set up by all nine railroads to implement the woefully inadequate hotel accommodations. My conclusion is that the elimination of gambling from our city limits has not lost us any tourists; but a healthier progressive law-abiding community, we believe, has brought us many more.

To go back to case history, in 1947, when it was learned that the Louisiana Mint Co. was storing slot machines in a warehouse near the river front, we had the place raided and destroyed and confiscated approximately 1,000 machines. Five hundred or so of those are still in our possession at the warehouse of the police department. Over 390 were outright destroyed. This led to the filing of a \$117,000 damage suit against me and Superintendent Watters by Philip Kastel, Dudley Geigerman (brother-in-law of Costello), and their associates, who identified themselves as owners of the Louisiana Mint Co. The destruction of these 390 slot machines ended, to my knowledge, any effort to use New Orleans as a storage or distribution center for slot machines. I am also happy to say that the court threw out this dam-

age suit on grounds that, the machines being illegal, Messrs. Kastel and company had no damage action against the city officials.

There is an impressive array of evidence before your committee, some of it supplied by the New Orleans Police Department, concerning the tie-ins and tie-ups of the national operators with some of the local gambling element in Jefferson Parish. I am particularly referring to the Kastel-Marcello axis which encompasses various enterprises, including the Beverly Club, the racing-wire service in Gretna, the coin-machine distribution business, and other business operations.

I will not go into detail on these because your staff, on its own initiative and through the reports of Police Sergeant Earl Weiser, has a voluminous file on this subject. Suffice it to say that Marcello and his associates have not been and are not welcome in the city of New Orleans.

In the continued campaign against gambling, gentlemen, we have seen in recent years the creation of a police-department vice squad, operating under the superintendent direct. The record of raids, arrests, and convictions is a substantial one, and Superintendent Schenering will be glad, I am sure, when he testifies, to go further in detail with you on that subject.

We have also, during the past two years, set up a very close liaison system with the Southern Bell Telephone & Telegraph Co., and have directed the telephone company to remove not only the handsets from raided establishments but also all telephone lines entering into these buildings. So far as I know, we are the only city in the country which not only notifies the telephone company at the time of the raid but also maintains through the police superintendent a monthly follow-up summary of raided establishments. We have made it clear to the telephone company that we insist on their full and prompt cooperation in the removal of these lines, which we believe is one of the most effective deterrents and harassments against those who are seeking to operate sneak handbooks in this city.

Moreover, the police department, on my direction, has maintained a continued, periodic check-up on over-all gambling conditions in the New Orleans metropolitan area, with particular emphasis on distributors for the Continental Press Service in Jefferson Parish and aggressive action against any efforts to establish direct wire service to bookies within our city limits. And outside of the three newspapers and the Daily Sports News, those are the only direct wires coming into New Orleans which we have checked and found not to be operating handbooks.

These investigations, performed primarily by the vice squad, have also been for the purpose of keeping us on the alert and properly informed of any efforts of handbook operators to come back into New Orleans. Much of the material developed by the vice squad and by Sergeant Weiser has been made available to your committee during the past year.

In addition to the aggressive campaign of action against local gambling, we have, as a result of the initiative and cooperative action of the mayor's special committee on the French quarter, tightened municipal laws against prostitution, taxicab solicitation, and operation of bars. New Orleans, as previously stated, is one of the major tourist cities of America. Many visitors come here to enjoy themselves. We feel that they should be given every opportunity to have wholesome

recreation and a good time within our city limits, so long as they abide by the laws of the city and the State. However, the city government has not, and will not, countenance immoral solicitations, mistreatment of visitors, or other efforts to prey illegitimately upon them.

In addition, as mayor, I have welcomed the interest and efforts of community leaders to establish a citizens' crime commission in New Orleans. We are familiar with the effective work performed by such bodies, especially in Miami and Chicago, and when these plans materialize here they will be welcomed wholeheartedly by our city government as another forward step in our efforts to do everything possible in building a better city.

These, gentlemen, are the high lights of the situation in the New Orleans metropolitan area.

One point which I have not covered in the prepared remarks is the point regarding the pinballs: Pinball operations in this area. I didn't because that, by law, is legal by State and city law, but it has certain ramifications which I think I should point out to the committee.

I should like to point out that certain types of pinball machines operate legally in the State of Louisiana. They have been held by the court to be legal games of skill and amusement, insofar as they do not have an automatic payoff and insofar as they do not physically pay off on free games. And, as with all coin-operated devices, the city taxes and licenses are paid on these legal pinball machines.

For some time, as a result of the police department investigations directed by me, we have been interested in the relationships and tie-ups of individuals in the coin-machine business. It would appear from our check-ups that some firms are operating legally within the city limits of New Orleans and at the same time are operating illegally with slot machines in Jefferson, St. Bernard, and other parishes outside our jurisdiction: that is, they handle the legal type pinball machines in New Orleans and the illegal type slot machines in the adjoining parishes. Even though they may be violating no law within our jurisdiction, I am having the city attorney look into the question as to whether the city can refuse to issue city permits to distributors we know may be operating illegally elsewhere.

I want to point out some examples of that in this brief on the pinball. We know of no law that permits us to refuse the granting of the permit except if we find that the machine is actually violating the law by virtue of a payoff that is made at the counter or at the cash register. Of course, this does not prohibit the possibility of fronts being used by these people that we would have no way of knowing about.

I have prepared a summary on these various companies that I would like to point out to you now.

First of all, the Dixie Coin Machine Co. was at one time operated by the late Julius Pace, Carlos Marcello, and Peter Natasi. In 1947, Dixie was sold to John Bertucci and is operated today in Bertucci's name.

The CHAIRMAN. Do you have another copy of what you are reading from now?

MAYOR MORRISON. I don't. I have prepared this at the last minute.

The records of the mayoralty permit office show that E. W. Holi-field is manager. Dixie handles legal machines in New Orleans and slot machines elsewhere, in the opinion of Sergeant Weiser.

Bertucci, the present owner of Dixie, also was formerly associated with Marcello and Marion Matranga in operation of the Rex Coin Machine Co., distributors of slot machines, pinballs, and jukeboxes, 3023 Jefferson Highway, Jefferson Parish, is their address. Bertucci is also listed in a police report as a backer of the Crown Distributing Co., 720 Howard Avenue, in the city of New Orleans.

Marcello and Matranga are said to have severed their connection with Rex a year or two ago and organized the One-Stop Coin Machine Co., 3857 Airline Highway, Jefferson Parish. Matranga is now manager of the One-Stop, which has six coin machine companies, one of six, rather, in Jefferson Parish which Superintendent Scheuering believes are backed by Phil Kastel.

Now, we find that Matranga, in addition to being Marcello's partner in One-Stop, also is listed by Sergeant Weiser as a partner with Meyer Vernaci, another close associate of Marcello, in the Manhattan Amusement Co., distributors of pinballs and juke boxes at 303 Deckbar Avenue and 2111 Airline Highway, both in Jefferson Parish.

Incidentally, the Manhattan Amusement Co. is the company that attempted to install slot machines in the Robert Todd homes, which is physically located in Jefferson Parish but which is a city housing project that took the place of Camp Plauche which was organized in the war. The machines went in there a couple of times and each time on a request direct to the sheriff they were removed.

From the records of the city permit office, we find that Manhattan Amusement Co. bought permits in July for operation of five pinballs, two bowling games and one music box in New Orleans. These are all legal devices. The permit office lists Wallace Luke, 8208 Willow Street as representative. This is the address of Harry's Bar and Restaurant, and Luke is said to be the manager.

It would appear here that Matranga and Vernaci, the owners of Manhattan and Marcello's Associates, have designated Luke to act for them or their customers in obtaining city permits for the above-mentioned machines.

Incidentally, we issue a little over 2,000 pinball permits in the city of New Orleans per year which brings in \$50 per permit, or a little over \$100,000 per year in income.

We find as a partner in Crown, Nicholas Carbajal, who is also listed as a one-time partner of Marcello, Matranga, and Bertucci in the Rex Co.'s slot-machine business. Carbajal is also the son-in-law of the late Julius Pace, who was Carlos Marcello's one-time partner in the Dixie Coin Machine Co.

Jefferson Amusement Co., 335 Huey P. Long Avenue, Gretna, Carlos Marcello's headquarters, is said by Sergeant Weiser to be owned by Carlos and Vincent Marcello. This firm, likewise, distributes slot machines, pinballs, and phonographs.

There is also a Jefferson Music Co. at this same address. The city permit office says that Vincent Marcello formerly operated the Jefferson Music Co., but later sold out to a Mr. E. Willie of the Algiers Music Co., 400 Newton Street. That is in the city of New Orleans.

Concerning the Willie family, police records show that Harry Willie, 8724 Olive Street, is the distributor for pinballs, and that Wil-



lie and Seelman, 1202½ Dante Street, owned by Otto Willie and G. Seelman, also distribute pinballs and phonographs. Otto Willie is a cousin of the above-mentioned E. Willie of the Algiers Music Co. Otto Willie's police record includes an arrest as a suspicious person and carrying a concealed weapon in 1930, and again pending investigation of Jefferson Parish bank robbery in October 1930.

It is also interesting to note that the Smitty Novelty Co., which on September 5 was issued 15 pinball permits by the city of New Orleans is owned by Theodore Geigerman, 5146 Lafaye Street, brother-in-law of Frank Costello. Police say that Geigerman has a man named Henry Smith who fronts for him as the operator of the Smitty Novelty Co. This pinball distributing firm was formerly located at 1525 South Liberty Street, 1326 Kerlerec Street in the city, and is now domiciled in Jefferson Parish at 619 Honore Drive, Metairie, in the Metairie area, rather.

One more company, the Southern Coin Machine Exchange has offices in both Jefferson Parish and in the city. Slot machines are distributed from 2631 Jefferson Highway and pinballs and bowling games from their office at 514 Dryades Street, which is always kept locked. This address was recently raided by the police, and we will give a report of that raid to you.

Then there is, finally, the L. & R. Amusement Co., 4901 Airline Highway, which distributes pinballs and phonographs, likewise. The owner is one John Lingle, alias Chicago Whitey. He is said to own the Horse and Buggy Lounge, formerly LeRendezvous at Bourbon and St. Peter Streets, and also the Twin Oaks Tourist Cabins in Jefferson Parish at the above-mentioned Airline Highway address. Police have verified information that Phil Kastel is one of the backers of this particular amusement company.

The CHAIRMAN. What is the name of that one, Mr. Mayor?

Mayor MORRISON. The L. & R. The L. & R., incidentally, holds a small number of pinball permits in Orleans Parish. Altogether, these six or eight companies I have mentioned have approximately 50 to 75 permits out of over 2,000 permits issued in the city of New Orleans.

Finally, gentlemen, I would like to say in conclusion, that these people that we are talking about are very smart, as well as predatory. They are shrewd, persistent and resourceful. They will resort to any diversionary tactics to distract attention from their own large-scale operations in attempting to confound and confuse, to threaten, intimidate and scare off the timid. Furthermore, they will villify and attempt to undermine any conscientious and honest officials who refuse to play their game.

In this city we believe we have run them out of the city limits, but they still hover around our borders, ever watchful for the opportunity to return to the lush pickings of the past.

Senators Tobey and Wiley have aptly said that this problem will never be solved until the people are aroused and act, and here in New Orleans a few years ago the people did get aroused and they did act. In certain other cities the same thing has happened, likewise. But let me stress that the people can only rise up after they know the facts. You cannot expect them to do something about a problem until they know it exists and how deeply it affects their community and their own daily lives.

That, in my opinion, is one of the most useful services performed by this committee. We are focusing public information and attention on what, until recently, was one of the most vicious and least understood problems in our modern society. Your committee, we believe, has conclusively proved the thesis originally brought out by the AMA that there exists today in this Nation an organized pattern of underworld activities, with links within links, wheels within wheels. Your investigations have revealed that vast operations are financed and directed by bosses behind the scenes, who are bound together in some sort of illegal confederacy. Their operations cross, as I said before, the jurisdictions of cities, counties, parishes, States, and even national boundaries in some cases, down into Mexico and into other countries.

I might say that you gentlemen and your efficient staff have gone a long way toward proving our case that organized, interstate gambling, rackets, and related operations are far more than a local matter. They constitute a problem that demands continued organized action. In this brief this morning I have tried to point out the salient facts why that is absolutely the case.

I would like to leave with you our sincere recommendations that this committee seriously consider and report favorably on the need for continued cooperative and effective follow-through on this subject after you have concluded your investigations. And further, that you urge the passage of the Federal legislation which has been recommended and supported by a large majority of the mayors throughout America, and may I say that the information provided in this hearing (we have asked for copies of the transcript for our police department) will be of material aid to us in carrying out the law enforcement policies of our city government.

I believe that the challenge from the underworld must be met with organized, cooperative action, and I should like to, on behalf of the city government of New Orleans, to pledge to you the continued interest and the continued support of our city government of New Orleans, and of the American Municipal Association in doing our part toward this very fine objective.

That completes, Senator Kefauver, my remarks, except for the fact that I would like to file in the record a few exhibits, summaries of raids by the vice squad, also, an exchange of communications between ourselves and the telephone company: this monthly summary which gives all of the locations of places raided and the type of telephone equipment they have.

The CHAIRMAN. We would be glad to have them filed as exhibits. Do you have them here, Mayor Morrison?

Mayor MORRISON. I have, yes.

The CHAIRMAN. They will be made a part of the record. Let them be marked in sequence.

Mayor MORRISON. Make that Exhibit No. 1: that is summaries of arrests by the vice squad covering certain periods; also, exchange of correspondence between the State police and ourselves will be exhibit No. 2; and exhibit No. 3 is the exchange of correspondence between ourselves and the Southern Bell Telephone Co. I would like to implement this with additional letters which Chief Scheuering gave to us: this is not all of them. I will implement that with additional letters.

(Exhibit No. 1 appears in the appendix on p. 425; Exhibits Nos. 2 and 3 are on file with the committee.)

The CHAIRMAN. You have some other papers?

Mayor MORRISON. These are notes and papers.

The CHAIRMAN. Mr. Mayor, we appreciate your statement very much.

I think counsel has some questions to ask and I have a few that I want to ask.

Mr. RICE. We are interested in knowing, Mayor Morrison, a little bit about the experience you have had with the handling of the so-called racing-wire services in this city. Could you give us a little background?

Mayor MORRISON. The experience that I have had, Mr. Rice, is that shortly after I entered office, in 1946, there was a wire service operating in the Balter Building which I believe is Continental Press Service, or an arm of it.

The CHAIRMAN. What is the name of that building?

Mayor MORRISON. B-a-l-t-e-r—Balter Building on St. Charles Street. Shortly thereafter about 2 months afterward another group, which we believe to have been identified with Trans-American, came in and set up operations on St. Charles Street about a block away from the Balter Building. Both institutions were raided, if my memory serves me correctly, about a month or a month and a half after we entered office. The equipment was seized and destroyed, approximately \$35,000 worth of equipment from both places, and from that time on they retired to, we believe, Gretna; at least one company did. I don't know what happened to the other; they may have combined and they have not operated in New Orleans since. I might say that the reason that we waited a month or a month and a half before making any raids is that there was a State law which legally permits the dissemination of racing information, passed in 1940, and after the Los Angeles conspiracy case was decided, which involved the water taxis out to the gambling boats, we felt we could make a conspiracy case, and went in with the charge of conspiracy, and made the raid based upon a charge of conspiracy that although they were not violating the handbook laws in Orleans Parish they were an instrument whereby the handbook laws of the State were violated in other parishes, and since the conspiracy occurred in Orleans Parish we felt they could properly be arrested and charged in Orleans Parish.

Now, we have checked the direct wires which, of course, we are very concerned with. The two main sources for handbook violations would be, of course, the direct wire or the telephone relay, and we have very seldom, I think on one or two occasions in the last 4½ years, we have found direct live wires being used for handbooks. But principally the only four live wires are the ones I mentioned: the three local press, Item, Times-Picayune and States, and the Daily Sports News, and there was another company—I can't recall the name—down below Canal Street. The Daily Sports is up on Camp Street, which made a total of five. We have checked those addresses to make sure that it was strictly a publishing proposition. From our information with regard to the two others other than the Daily Press, they were definitely in the business of printing Daily Sports News, racing results, and forms.

But we have on two or three occasions—and Superintendent Scheuring knows those better than I do—found direct wires which would be perhaps part of this Continental system. That is only an excep-

tion. By and large they have not sent any direct wires into the city. I have also checked very carefully with Western Union, who leases the wires to Continental, and we have, of course, their statement that there are no live direct wires in New Orleans. We believe that the service, rather, in 99.9 percent of the time, Mr. Rice, comes in this fashion: the direct wire is in Gretna. There is a location where there is a battery of telephones where each phone supports a handbook in New Orleans, and whenever we go in and raid we take out the phones. But that means that that particular operator may move to another barroom, get another phone or get the phone that that barroom has and set up again, using this same telephone relay. We have even found that telephones get reinstalled after we have taken them out, and that is one of the problems we have up with the telephone company constantly—is the reinstallation of addresses which have been raided. They are frank to admit those are mistakes that have been made by the company.

Mr. RICE. Have you had any difficulty occasionally in locating the actual handset, or the telephone, and tracing it back to the wire service? Have you had any difficulty along those lines?

Mayor MORRISON. Well, I can give you the experience we had which was quite unusual. We found out through a source—we found out things through various sources—that there were 29 telephones at a certain address on the Jefferson Highway, each one of which supported a handbook in New Orleans, and we have the telephone numbers of these phones. They were all consecutively “Temple” four numbers, and then 2, 3, 4, 5, 6, and on up. I called in the telephone company and they first stated to me that they could not remove them because the telephones were properly installed and that their lawyers said that they could be sued. We pointed out to them that this obviously was a part of a violation in Orleans Parish and we demanded that they be removed as the simplest way for us to terminate that operation. Actually, the telephone company brought in the sheet on which they obtained the—I asked how was it possible for someone to obtain 29 telephones when there is a waiting list of six or seven thousand people for legitimate purposes that can't get a phone. The application indicated that the phones were secured for solicitation for bank night—bank night, of course, being illegal, too. So after much discussion the telephone company did remove these phones. We stated we would turn it over to the public if they didn't and we felt it was in the public interest to do it. So we know that that is the situation, in answer to your question, that we have developed as one fact, and I suppose it exists in a lot of other ways.

Mr. RICE. Have you had any experiences with set-ups whereby they might have jacks which could be pulled when the police arrive?

Mayor MORRISON. Yes.

Mr. RICE. Tell us about that.

Mayor MORRISON. Today the securing of telephones by hand operators is very difficult. What they do, they go down the block and get someone's telephone and have a jack system with pull-outs on either end, and the minute the police squad comes in to raid, someone pulls the plugs. That keeps us from tracing in any way where the phone is. We pick up the handset and we pick up the equipment we find. The telephone company goes in and they don't find any connection into that building. As a matter of fact, one of these reports goes into that. I company representatives were unable to trace lines to the terminal.

Mr. RICE. These were in handbook operations in the city?

Mayor MORRISON. Yes. So, almost half of the locations raided in 1950, and particularly in the last part of the year, that is more and more the case. We don't find a direct terminal in the building anywhere. And the company representatives, by the time they get there, are not able to trace from whence they get that telephone service.

Mr. RICE. How is that arranged? Do you know who makes the installations?

Mayor MORRISON. Only on information again, and I have no direct proof except statements made to me by other people that these installations are made by employees of the telephone company. In fact, Superintendent Scheuering and I have the admission of one former handbook operator who stated to us that that was the only way he received his telephone service for he had no other means of getting it. He had no means of buying handsets or buying wire or anything else. When I made that statement at the time the telephone workers union took issue with me and stated I was casting aspersions upon their union, which, of course, I was not doing, but merely giving the case of one person who obviously had made this installation.

Mr. RICE. In other words, when you say it was installed by telephone-company employees, you mean in an unauthorized fashion?

Mayor MORRISON. Absolutely unauthorized and without the knowledge of the company; but obviously they have access to their phones and their equipment because this particular man says "I didn't know where to buy telephone sets. I only got them in one place." Now he——

Mr. KLEIN. The gamble made it worth while to the employee to make the installation?

Mayor MORRISON. He further stated it cost him about \$300 to get a phone in that fashion.

The CHAIRMAN. You mean to get a phone which the telephone company, itself, didn't know anything about?

Mayor MORRISON. That is right.

The CHAIRMAN. And tied into its lines?

Mayor MORRISON. Tied into its lines through this jack system Mr. Rice spoke about.

Mr. RICE. That line in turn going to the wire service outlet.

Mayor MORRISON. Going to a telephone relay which in turn has direct wire service.

I point this out because these are problems that we have. Everybody thinks it is very simple: Handbooks are operating in New Orleans, it is just as simple as that to go out and find it and put them out of business. But for every move we make there is a countermove of some sort to get around us. As long as we have wide open floor, handbooks on all of the borders of New Orleans, practically every telephone in this city is a possible source of handbook violations.

The CHAIRMAN. You mean that they can call for a nickel to the wire service and back and forth?

Mayor MORRISON. They can do that.

Mr. RICE. Keep an open line and get the local results.

Mayor MORRISON. Right.

Mr. RICE. Over microphone or loud speaker set-up.

Mayor MORRISON. Also, there is one other thing they can do; you have what you call the walking handbooks. The man can go out and

book his bets from his various customers and get on any telephone and call them in and place them. That wouldn't be horse parley; he wouldn't have the returns coming back. He would merely go out the next day and pay off his bettors. I merely point that out; that is one of our biggest problems and it isn't insurmountable. Little by little we are making gains on it, but we still have, much to our embarrassment from time to time, continued cropping out of handbooks in New Orleans.

Mr. RICE. In connection with the handbook operations, have you been able to determine whether they participate in the lay-off system?

Mayor MORRISON. Well, again I am not speaking from direct knowledge, but I understand through police circles that they do. They do have lay-off systems. That is where the confederacy of these people comes in. If you ask one of them "Are you a partner of so and so in Chicago, or New York," they say "No"; truthfully no. Still and all they have some kind of working understanding; they can get ahold of somebody in Chicago and lay off a certain amount of their bets that they don't want to carry, so in effect it is a loose confederacy; people who understand and trust each other in that business.

Mr. RICE. Have your enforcement agencies been able to trace through toll calls or otherwise, the lay-offs to any particular cities that you might have in mind?

Mayor MORRISON. Again, I would prefer Chief Scheuering giving that. We do have something of a material nature, during the last 3 or 4 months on that. We do have the record. The telephone company told us that anything past 6 months—I think you said a year now—during this particular year, because of the existence of the Kefauver committee, anything past that period is destroyed. Now, we did contemplate issuing a subpoena on the telephone company and we got an opinion from the city attorney that we had no right to do that; that is, unless we have some case against the telephone company, or some case against one of its employees involving these long-distance calls.

Mr. RICE. Isn't it possible to get the toll calls on the proprietor basis of the telephone company standing on the——

Mayor MORRISON. At the present time, it may be that the police department didn't actually request it because we didn't have a legal right to. I addressed a memorandum about 3 months ago to the district attorney asking for an opinion and he stated we didn't have the right; and I knew at the same time you were getting the records, so I felt they would be available to the Government.

Mr. RICE. Have the enforcement agencies had any difficulty with Western Union getting the records of drops of wire-service outlets?

Mayor MORRISON. I don't believe we have. Of course, we have had the statements of Mr. Jackson, we have had our own detectives up at Western Union checking on them. As I stated before, there are five known, admitted drops in the city. In addition to that, we have found on two or three other occasions, live wires to handbooks in New Orleans other than these five admitted locations, and the reason for that is that they have about twenty-some-odd lines they have told us that were dead and had been dead since 1946, but they have not been removed physically.

Mr. RICE. Those are what they call unequipped circuits?

MAYOR MORRISON. Yes; but they are in, in the event some day the situation would change and they wouldn't have to reinstall these lines again, we have no means of making them remove them.

MR. RICE. But the lessees still pay rental on these lines, do they not? Are they within the city limits?

MAYOR MORRISON. They are in the city limits; yes.

MR. RICE. About how many of those are there?

MAYOR MORRISON. Well, again, Mr. Jackson's statement is to the effect that they have about 22, I think. The ones we have caught have actually been some of those 22, and not the 5 legitimate ones. In each case when we find a line of that sort we actually remove everything that is there and we ask them to pull out the line. That still leaves the balance of this network that is still in here.

THE CHAIRMAN. Where does the line come from?

MAYOR MORRISON. It comes from, I'll say, Gretna, from their nerve center.

THE CHAIRMAN. You mean somebody is paying rent on it on a stand-by basis hoping they can use it sometime?

MAYOR MORRISON. That is correct.

THE CHAIRMAN. Mr. Jackson, I suppose, can give us the names of those people?

MAYOR MORRISON. Yes.

MR. RICE. Isn't it possible, Mayor Morrison, on some of those lines, which are activated by electricity, wouldn't it be possible for someone having that outlet to attach their own equipment and get into operation without the knowledge of Western Union?

MAYOR MORRISON. That might be possible.

MR. RICE. Has that ever occurred?

MAYOR MORRISON. We have an expert in the police department on that subject. In fact he has been assigned to the telephone company and the Western Union in the last 2 months, who is a former employee of the telephone company, and I would only be giving my opinion on it.

MR. RICE. Well, have you had any experience in locating an operation where there has been unauthorized equipment attached to the so-called unequipped or dead-drop?

MAYOR MORRISON. Yes, those are the cases I am talking about. I would say on two or three occasions in the last 4½ years, as a matter of fact, almost universally the situation is the same. It's a telephone and not a direct wire. But once in a while, very ineffectively—those are the times I am speaking about—we have actually found a live wire equipped, as you say.

MR. RICE. So that these unequipped drops numbering some 20, would it be a fair statement to say they are a constant menace?

MAYOR MORRISON. They are.

MR. RICE. As long as they are in and paying rent on them?

MAYOR MORRISON. That is correct, they are.

MR. RICE. It would be very difficult to police the activities on them?

MAYOR MORRISON. We have to rely on the Western Union: that they have given us the direct dope. We assume that they are. They are a reputable company. I don't see why they would want to—

MR. RICE. Well, the point is that the wires are in. They go into a private building. It is possible that the occupant of the building can

hook onto that line without police knowledge and get it into operation without the knowledge of Western Union?

Mayor MORRISON. Yes. Of course, I wouldn't know about that. Those are the cases we have found. We would like very much for them to remove them. And Mr. Jackson is here——

The CHAIRMAN. Isn't there any way you can force them to move them when you find one being used?

Mayor MORRISON. We can remove that one; yes. We have removed that particular one. In the case of any telephone or any wire of any sort used for gambling we have the perfect legal right to seize everything involved, within our city, but, as long as they are there, they may say, well, that may be for another news company, that may be for the Times-Picayune, the States, the Item. They could say that, of course, and the mere fact it is a possible source, I don't think we have the right to take it out. If we did we would certainly take action; and I will state now if we had the legal right to remove them we'd take proceedings with the Western Union to get them out.

The same thing, incidentally, Mr. Rice, with regard to the slot machines stored. We didn't know whether we legally had the right to seize and destroy a slot machine which was merely being stored, particularly when they stated they were mint vending machines, but we took the chance in this raid on Chartres Street, and we got sued for it. Fortunately, we were able to win the lawsuit. We were sued personally for damages for breaking these machines on the ground that they were merely mint vending machines and not violating any law.

Mr. RICE. So that you feel now, that an interpretation of the law is that a slot machine maybe seized and destroyed wherever found?

Mayor MORRISON. Correct. That is the ruling of the Louisiana courts now; that it is a device——

Mr. RICE. How long ago was that case ruled on?

Mayor MORRISON. Our particular case, incidentally, is not the only one. Our particular case we won in the lower court and we have merely been waiting for the year to go by for appeal so it would be definitive. The year has gone by and it is definitive.

Mr. RICE. The year has gone by?

Mayor MORRISON. The year has gone by since we won our judgment in the district court. No appeal was taken. But on another basis there have been criminal actions which have been appealed and the decision of the State supreme court rendered about a year ago is that a slot machine is a gambling device per se and may be destroyed where found, whether in operation or not.

The CHAIRMAN. Suppose that before we continue on with questioning, I think Mr. Klein has some—we have a 5-minute recess. It will only be 5 minutes, if you don't mind Mr. Mayor.

The CHAIRMAN. The committee will be in recess for 5 minutes.  
(Short recess.)

Mayor MORRISON. Mr. Rice, I believe I could more specifically give you the addresses of these drops. That is by virtue of a check up on the addresses.

Mr. RICE. Yes.

Mayor MORRISON. There are two locations in which we found Western Union drops. One is 309 St. Charles Street, and the other is——



Mr. RICE. What is that 309 St. Charles?

Mayor MORRISON. That is an address where we found a Western Union drop, made a handbook raid and instead of telephones we found a direct wire which was reported to be dead but which actually was live and receiving direct wire service in that location.

Mr. RICE. This was a telegraph wire as distinguished from a telephone wire?

Mayor MORRISON. Right, a Western Union Telegraph leased wire.

Mr. RICE. And that was going to—

Mayor MORRISON. Gretna—

Mr. RICE. To the Daily—

Mayor MORRISON. That is in the Continental Press system.

Mr. RICE. The forwarding system. How long ago was that?

Mayor MORRISON. I would say within the last year and a half. There is another one, too: Exchange Alley and Iberville Street, don't have the municipal number on it, we found a direct Western Union drop. That is one of the 22 drops that were supposed to be dormant.

Mr. RICE. Unequipped?

Mayor MORRISON. Unequipped.

Mr. RICE. Do you know what the equipment was that was activating the line? In other words were they using an unauthorized ticker or—

Mayor MORRISON. Loud-speaker?

Mr. RICE. Loud-speaker or just what was the arrangement?

Mayor MORRISON. It was a loud-speaker.

Mr. RICE. You don't get a loud-speaker over a Western Union wire; you get either a key or a 8-A ticker. Which would be a teleprinter or teletype?

Mayor MORRISON. To be frank, I don't know.

Mr. RICE. One or the other, as far as you know?

Mayor MORRISON. That is correct.

I would like also to more specifically identify these two decisions on the slot-machine cases. In one case, Judge McCaleb rendered an opinion, that is the Supreme Court of Louisiana, in the Ricks case—

Mr. RICE. Yes.

Mayor MORRISON. That a mint-vending machine is still a slot machine because it is equipped to change over with a small amount of action, and that case was decided about a year and a half ago, and the case which helped us on the dead storage is the Schimpf case—that was about 2 years ago—which provided that we had the right to seize and destroy, even in dead storage, slot machines.

Mr. RICE. All right, sir. You say you have some in dead storage now?

Mayor MORRISON. We don't know of any.

Mr. RICE. At the police department?

Mayor MORRISON. Yes; we have over 500. I might point out to you: you may wonder why we still have them. We'd like to have them out because they are occupying a lot of space we need for records and storage of other kinds. We waited for a year to go by. We filed an injunction to dissolve. There were two actions. They sued us personally and they also got a restraining order against the city from breaking up the balance of the machines. One of the district court judges gave a restraining order. That is still in effect. Now, we have filed a rule to dissolve that restraining order, but the attorneys

who represented the city, myself, personally, too, thought it would be better to let the year run on appeal than the other action had, namely, the damage suit had, and after the year had run and that damage suit was final, then we could go in and fix the injunction rule; that is to clear the injunction which still stands. As of this day, it still stands against me. I don't have the right to break those machines or destroy them or drop them in the river.

Mr. RICE. When will that time expire, approximately?

Mayor MORRISON. The year is over, now. It's been over 2 or 3 months and we have filed a rule fixing it for trial. That is a question of getting the lawyers to go fix the rule on the injunction to dissolve it.

Mr. RICE. To dissolve the injunction?

Mayor MORRISON. We have no doubt that it will be dissolved.

The CHAIRMAN. You mean, Mr. Mayor, the damage suit against you and others is not decided by the supreme court? Is that what you call it in Louisiana?

Mayor MORRISON. What actually happened, the Ricks case which is actually identical—

The CHAIRMAN. What court was it finally decided in?

Mayor MORRISON. In the district court. No appeal was taken; it was in our favor.

The CHAIRMAN. When you refer to the district court, that is the State district; is that right?

Mayor MORRISON. The court of first instance, in the State.

The CHAIRMAN. So you are taking the position you want that to be res adjudicata or the determination of the issue in the injunction case, so you let the year—they had 1 year in which to appeal. Is that correct?

Mayor MORRISON. That is correct. Now the Ricks case, which is exactly the same thing, exactly the same type of machine, was a criminal procedure and that pushed on through to the supreme court, and once the Ricks case was decided, then the people who were suing the city and enjoined the city, more or less became dormant. They had no further interest in their suit. We had to let the damage suit go the year to make that definitive. Now that that is definitive, we are now filing, or have filed, a rule to dissolve the injunction. That frees me completely. Then we can get rid of the 550 or the 560 machines we have out in the police warehouse.

Mr. RICE. When that period expires, then you intend to destroy the machines?

Mayor MORRISON. Correct.

Mr. RICE. All right, sir.

Mr. KLEIN. Mr. Mayor, did I understand you correctly to say there were 2,000 pinball permits issued?

Mayor MORRISON. That is correct. That is an average. We probably go over that. I know better the income than I do the number of permits. The income runs around, a little over a hundred thousand dollars per year, and in some cases they get only a half-year permit. They beat us out of the other half year. I would assume from that that we have over 2,000.

Mr. KLEIN. Does that mean there are 2,000 pinball machines or 2,000 pinball operators?

Mayor MORRISON. Two thousand pinball machines. There are quite a lot less operators.

Mr. KLEIN. Did I also understand you to say that in the last 5 months there were only three arrests by the vice squad for pinball payoffs?

Mayor MORRISON. That is correct. That is very unusual that you get any of those.

Mr. KLEIN. Were there any arrests by any other police squad?

Mayor MORRISON. That I can't answer, but I would say "No." If so, only a small number. Very seldom. These machines do not have an automatic pay-off. We don't license any with an automatic pay-off. That is the same as the slot machine. It is just a different device to automatically pay off. These machines, the way they look when they are inspected and given a permit, have no gambling paraphernalia that will pay off. It is strictly, then, a question of whether they register free games, whether the free games will be paid off at the counter, that is very hard to police, as you can well see.

Mr. KLEIN. There have been only three arrests?

Mayor MORRISON. Yes. Very seldom there are any arrests.

The CHAIRMAN. Mr. Mayor, in that connection, rumor around here is—and of course you can't go by rumor—that these one-ball machines, most of the operators pay off in cash when anybody wins.

Mayor MORRISON. That would be a likely conclusion that the one-ball machines, giving less amusement, would probably lead to an arrangement whereby the players go over to the counter and get either money or merchandise for it.

The CHAIRMAN. Well, do you think that is true or not?

Mayor MORRISON. I think it is true.

The CHAIRMAN. Well, is an effort being made to apprehend the cases where they are paying off in cash? Of course, that would be a violation of the State law, wouldn't it?

Mayor MORRISON. It would be, yes. We have two men—of course Sergeant Weiser was attached to the mayoralty permit office checking on that himself for about 5 months, and we have made some raids and some arrests on it, but to be very frank with you, before the session of 1950, between '48 and '50, there was a law that, more or less, prohibited us from collecting the tax, \$50 tax. There was a last sentence on the State law which, of course, provides for the tax and stated that no municipality or parish shall collect a similar tax. Now, we went on and collected it anyway, mainly because by virtue of our critical financial condition, we couldn't afford to lose a hundred thousand dollars, and we collected the tax as best we could. It soon filtered down that they didn't really have to pay it and they could defeat us in court suits. During that period of time, as a matter of practicality, very little was done about the question of whether they did pay in money for the free games. Now that we have a specific legal authority, since August of this year, to collect the \$50 tax, it definitely is our desire to go all out to correct this practice. In other words, we have tolerated it because of the fact we got a hundred thousand dollar income from these pinball machines. Again I don't know how many would be the one-ball and how many would be the five-ball, but there were more critical things that were pushed than that. We did make arrests from time to time but during that period of 2 years when we didn't have legal authority to collect the tax we didn't do very much about it.

Mr. KLEIN. Has the attitude of the administration changed with respect to the situation, now? Are you making a stronger effort to enforce that?

Mayor MORRISON. Yes, we are; because we have legal authority, now.

Mr. KLEIN. You also have the need for the hundred thousand?

Mayor MORRISON. We do, but we get—in other words, previous to 1950 a suit could have been taken to make a man pay, and if he will go to court, we felt we would lose the suit, and that that would then take away all the income we were getting from this source. This was discussed with the commission counsel and that sort of idea was agreed upon at the time.

The CHAIRMAN. Mayor Morrison, in general, as I understand your testimony, I feel that you and the police department made a substantial effort to eliminate organized gambling and criminality in the city of New Orleans, and that while you have made a substantial effort, there is still some crime that goes on, some bookmaking and, of course, some prostitution and some other types of crime; that the fact that many of these people are continuing to operate in the adjoining parishes constitutes a continuing menace, that they are using efforts to move back into full-time operation in the city of New Orleans. Is that correct?

Mayor MORRISON. That is correct. The fact that we have made 571 arrests and convictions in 1950 states better than my own opinion the fact that we do have handbook operations from time to time and we do have violations, and we have violations for practically all of the offenses in New Orleans, for theft and for a great many of the other things. The harm is when you have violations and do nothing about it.

The CHAIRMAN. Now, you have talked about the various companies that own pinball and slot machines, and you have said that some operated legal pinball machines in the city of New Orleans or in this parish, Orleans Parish, but that when they operated in the other parishes they operated regular slot machines. Is that correct?

Mayor MORRISON. That is correct.

The CHAIRMAN. But you said that these that operated both kinds constituted a small minority of the operations.

Mayor MORRISON. They do.

The CHAIRMAN. Is there an association or something that all of these outfits belong to? What do you know about that?

Mayor MORRISON. There is an association that they all belong to but I would like to point out it is not the kind of association that existed before 1946. It is a business association that you have for all types of business—a trade association. I mean the dues, as I understand, and this is only from my general knowledge, are the same that you would pay to belong to say a bar association, or a retail-grocers association or anything else. Previous to 1946 there was an association somewhat of a monopolistic kind that you either paid so much a week or you didn't operate, and whenever you use the word "association" sometimes people go back to the thought of this type of monopoly that was operated before. We give anybody that comes into the mayoralty permit office a permit. If they go out and operate pinballs without a permit we try to find them and make them pay for the permit or else seal their machines. So any kind of an association so-called that would rule out anybody just doesn't have any bearing. I mean it has no legs to stand on. I assume that is what you had in mind.

The CHAIRMAN. Yes. I noticed on the two or three I have seen around, there is a city permit and there is also some little thing that indicates they belong to some association. What is the name of that?

Mr. RICE. Coin Machine Institute?

Mayor MORRISON. I think you will find that about 65 or 70 percent of them belong to the trade association and that the balance do not belong. I only know that because I have made inquiries about it. In other words, you enjoy the same right to operate your machine when you pay the \$50 whether you are a member of this trade association or not. That's the reason it doesn't really make any difference. As a matter of fact, unless we inquire, we don't know whether they are in it or not.

Mr. RICE. You said that some time back it was operated along the lines of a monopoly. How did they operate that way?

Mayor MORRISON. Well, your dues in the association were so much a week, and if you didn't pay you didn't operate a pinball machine.

Mr. RICE. How did they stop you? Suppose you set one up and didn't join?

Mayor MORRISON. They had other ways of harassing you. They'd come in at 11 o'clock at night and pull out your plugs.

Mr. RICE. Who is they?

Mayor MORRISON. The police. Prior to 1946 they would go in and pull the plugs out of the music boxes or the pinball machines—electric plugs—and say "You are disturbing the peace."

Mr. RICE. In other words, to use a police term, they'd "roust" them until they belonged to the association?

Mayor MORRISON. That is correct.

Mr. RICE. So that the association and the police were conniving or collaborating in forcing the operators or licensees to join the association?

Mayor MORRISON. That is correct. I would have to point out to you that during that period of time, 5 years from '41 to '46, I was in military service and I was across the way. This is not a personal statement of my own knowledge, but it is pretty generally known to be the case.

Mr. RICE. About what were the dues that were required then, if you know, from each machine?

Mayor MORRISON. I don't know. That would be highly speculative. But so many dollars per week—2 or 3, I think.

Mr. RICE. It was more than a dollar, you might say, for each machine?

Mayor MORRISON. Yes.

Mr. RICE. Do you know whether there has been any substantial change in the number of one-balls or pin-balls, from those days to these days?

Mayor MORRISON. I really don't know. As a matter of fact, I have never made up any check on how many one-balls or five-balls they do have. I think that Sergeant Weiser could give that because he's actually been attached to that office for about 6 months.

Mr. RICE. Now, you mentioned that in connection with the permit office, anyone applying could receive a permit. Would that be true of someone who had a lengthy criminal record?

Mayor MORRISON. Well, I would assume it would be true, because actually we have about four men in the permit office, total, and I don't

think that we make any investigations, being very truthful with you. I don't think we have a process whereby we investigate them. Of course, we have a continuing investigation of all types of people.

Mr. RICE. So it would be very possible that a notorious hoodlum of the Bugsy Siegel type could very well obtain a permit?

Mayor MORRISON. I think probably what he would do would have somebody else obtain it for him, which I pointed out has been done in a lot of cases. They get a local resident—these people have their main business in Jefferson Parish—they will get a local resident, these six or eight companies I spoke to you about, who will front for them. That is our speculation that they front because of their prior association. They come in and get the permits. Let me say this to you, they allot a permit in spite of what we do, Mr. Rice, and we don't get the \$50. Again, it is a question of being able to cover the whole city. Actually, they can be in the pinball business and never pay us the \$50. We get 85 or 90 percent of them, perhaps. That means going from place to place—

Mr. RICE. Sneak operations, more or less?

Mayor MORRISON. Going place to place, and again that is three or four men making the rounds of all the barrooms and restaurants to see whether they have got their permits.

Mr. RICE. When the permit is issued, is that issued to a particular machine in a particular location?

Mayor MORRISON. It is issued to a particular machine by serial number, but not by location. I think the location is on there, but they have the right, as we now have it, to move them.

Mr. RICE. So that they can switch the machines around from location to new location?

Mayor MORRISON. They can do that. We have a recommendation from the permit director that we change our stamps and that we make them for specific locations. But that hasn't been done yet. Actually, until August, we really couldn't do very much about it except hope that they paid us.

Mr. RICE. Do you find, under that proposition, that some of the machines are switched from the city to the adjacent parishes and back again?

Mayor MORRISON. I don't believe so.

Mr. RICE. Isn't it true that some of the machines in the city here have tickets on them, indicating that they were located out in the parish? I have seen them myself.

Mayor MORRISON. I wouldn't understand why a man would bring a pinball machine in Jefferson Parish when he's got a slot machine up there. Obviously, a pinball is a slow process to get any real income, whereas the slot machine is much quicker.

Mr. RICE. You are an advocate of getting it quicker, then?

Mayor MORRISON. I am thinking of what the man in the restaurant would have—if he had slot machines he probably wouldn't have a pinball machine. But it is likely they could take them and move them around. We have no way of checking that very specifically. Again, I have to point out to you, actually, we keep coming back to this: we have a certain number of people we can use on all matters. We have a great shortage even for the basic things we have to do, and this continual proposition of having 20 or 25 men in the vice squad is really a drain on the police department, that we wouldn't normally have to

have if we didn't have this situation of being surrounded by wide-open gambling. In addition to that, take our narcotic squad, for instance, during this period, during the race-track season, we have seven or eight men in the narcotic squad, we have switched them over to handbooks at various times to "beef" up the force. We have taken the headquarters personnel, Chief Scheuering and Chief Durel, directors of precincts, and we have sent them out on all-out raid operations.

Mr. RICE. Along that line you may be able to help me out on something I don't quite understand. You have mentioned that you have a limited personnel on the vice squad. Is it the particular province of the vice squad to check into these matters, or a particular squad to check into the pinballs or one-balls?

Mayor MORRISON. No, it isn't. As a matter of fact, first of all, the precinct is responsible for the law enforcement in the precinct, but most of these precinct people are, in general, patrolling or various other things that are their day-to-day job. To do any kind of all-out enforcement job, you have got to have people operating directly under the superintendent, hooking into any precinct and make those cases and it has to be almost a specialty. That is what the vice squad is. On the question of checking out the pinball operations, our total activity there is principally to get the \$50 permit on a legal machine. Now, every now and then we do have an arrest, as I indicated. I didn't know it until I read the report that we had some arrests for the machines paying off. That is, more or less, a haphazard proposition where a policeman does know of it and does make the arrest. We don't have anybody assigned to that. We have two policemen assigned mainly to sealing machines which do not have the tax permit on them.

And they, also, if they find a machine that is paying off at the counter—

Mr. RICE. Is paying off—they make the arrest at the time?

Mayor MORRISON. Right. Now, paying off at the counter: I have to point out to you that catching a man paying off at the counter is a very difficult thing. If he happens to know the policeman, he is just not going to do it while he is there.

Mr. RICE. What are the instructions as regards the patrolman on the beat? The average man in uniform who might stumble upon a situation where he saw it paying off, if he happened to stop in some place?

Mayor MORRISON. It is his duty to make the arrest.

Mr. RICE. Do they follow that out? Do you know?

Mayor MORRISON. Well, in some cases they do do that. But, again, a man in uniform will probably never catch anybody doing this. I think the only man that would catch him would be a man in plain clothes, which would be the vice squad or some special group that would not be in uniform. In fact, very seldom we ever make even a handbook raid in uniform. That is a tip-off a mile away. You find nothing when you get there.

The CHAIRMAN. I believe you say you are 240 short in your police force in national average?

Mayor MORRISON. About 250.

The CHAIRMAN. About 250. Is that the lack of budget?

Mayor MORRISON. Senator, in 1948 we had 2-cent sales tax which produced around \$10,000,000 a year. That was cut by a State act to 1 cent, and by virtue of that operation, we lost \$5,000,000 in income, and we, of course, have gotten additional income in the meantime to make up for part of it, but we are still about \$2,500,000 short. With our city growing in every direction, and our costs going up, our income has gone down. We are one of the only cities in the country that has had that experience, so we have not expanded our police department or our fire department or a lot of our other departments. We are just getting by as best we can, and anytime we get hold of a little extra money, we usually pick up 25 more policemen, authorize 25 more policemen in our budget because we so badly need them.

The CHAIRMAN. How does the telephone company cooperate with you? You seem to have had more difficulty with them on re-installments?

Mayor MORRISON. Ostensibly, the telephone company cooperates 100 percent. The officials of the company are willing to do anything we request them to do. They were not willing on this proposition of turning over the toll charges, but ordinarily they are willing to do anything for us that we ask but again they have a big organization of thousands of employees, and the reinstallation of telephones, I am sure, is not under the direction of the management. I think that is just one of those ways and means that gamblers have of getting things done. They usually can find a way somewhere.

The CHAIRMAN. Mayor, how extensive would you say the telephone bookie is in the operations in New Orleans today? I know they have gotten no more horse parlors on the front streets, but have they gotten upstairs on the second floors and third floors?

Mayor MORRISON. That is usually where we find them.

The CHAIRMAN. Do you have congregations of people in the rooms betting on races by virtue of information they get over the telephone?

Mayor MORRISON. When we make raids those are the situations we find. But to answer you specifically as of this time, I would say that the situation is better than it has been, so far, for a number of reasons. First of all, we have had the State come in since December, and I think the fear that not only they can be raided by the city, but they can be raided by the State police; the fact that your committee is here and was coming and has been coming, I think, and has had investigators here, has helped us considerably. It all depends on how bold they want to get. Right while we are sitting here, they can be opening up 5 or 10 handbooks, and sooner, or later, we might catch them, but it is like running a traffic light. You may run a traffic light every day for a week and never get caught and finally you do get caught. So I would say, specifically, it is, and again I give you the opinion of the superintendent, it is probably better than it has ever been, as of this moment.

The CHAIRMAN. I notice, Mayor, that you had something to say about the citizens crime commission. I noticed an article about it in the paper this morning. I don't know the personnel of the crime commission or how far along it has gotten, but I do want to join with you in saying that a good, privately supported crime commission composed of representatives and sound citizens, with a staff of experts, as we all know, can be of tremendous assistance, not only in keeping the spotlight of public opinion on things that go wrong, but



also in backing up honest and good law-enforcement officers, which is just as important. And I do hope the commission—I know in Chicago and Miami, and many other places, they have done very good work, and it seems to me that that is a very good step in the right direction.

MAYOR MORRISON. Yes, sir. The gentleman who is promoting that is the chairman of the police advisory board, which is the citizen board for the police department.

THE CHAIRMAN. Well, I know nothing about the personnel in it, but the general idea is good.

MAYOR MORRISON. He has support of the chamber of commerce, so I think the project will get under way.

THE CHAIRMAN. Mayor, do you have two types of people here? Do you have the gambling activities supported by out-of-State interests like you testified about the Costello-Lansky group? Do you have another group that is local and nonsupported? Is there any differentiation made by the police department or the administration as to going after one or the other type?

MAYOR MORRISON. There is no differentiation except we think that the interstate gambler is more serious, because he has more means and he has more ways and means—he has more financial means—more ways and means of combating you, but from our standpoint, they are both violations of the law, and if we know of a handbook, if we get a complaint of handbook, it doesn't make any difference who you are; you are going to get arrested and you are going to get tried and convicted. There is that difference. We don't find any of the syndicate operations in New Orleans. They have gotten out of New Orleans completely. I don't know of any, rather.

THE CHAIRMAN. You don't think any of these bookies or any of these coin machines—I mean pinball machines—are syndicate operations?

MAYOR MORRISON. With a few exceptions which I mentioned in my report, which would be less than a hundred machines of 2,000 have that tie-in. That is merely trying to be very accurate, but generally speaking, they have very few interests in the city limits. But, of course, they have decided for themselves to concentrate more generally on the outskirts.

THE CHAIRMAN. Does the city of New Orleans take in all of Orleans Parish?

MAYOR MORRISON. Yes.

THE CHAIRMAN. Is it the same?

MAYOR MORRISON. It is synonymous: one and the same. As a matter of fact, the Commission Council for the City of New Orleans is the government for the Parish of Orleans.

THE CHAIRMAN. But you have a separate sheriff?

MAYOR MORRISON. Yes; we have. About \$2,000,000 of our money in our city budget; \$16,500,000 goes to paying what we call parochial officers, or parish officers, such as the sheriff, the district attorney, the district courts, the assessors, clerks of court, and so on.

THE CHAIRMAN. I take it the sheriff is rather a civil officer rather than an enforcement officer?

MAYOR MORRISON. There is a civil sheriff, who is the organ of the civil courts elected by the people, and there is the criminal sheriff, who is the organ of the criminal court and who is the criminal sheriff

of Parish of Orleans, elected, and he also is the custodian of the parish jail.

The CHAIRMAN. This Daily Sports News, who owns that operation? Do you know?

Mayor MORRISON. The Daily Sports News?

The CHAIRMAN. I think we have some testimony later on about it.

Mayor MORRISON. I don't recall, Senator Kefauver, who does own it. I know they print this Daily Racing Form and also what they call a Danny M. It is a form sheet.

The CHAIRMAN. Is their operation within the law? I mean is it legal?

Mayor MORRISON. Yes; I suppose it is.

The CHAIRMAN. I suppose the Daily Sports News does furnish the bookies both in and out of Orleans Parish with their information?

Mayor MORRISON. With their sheets, yes. Most of our raids we find here are not the open type. They use what they call the Danny M, which is a small sheet which you don't normally see hanging on the wall, and they just have it on the table and take the bets.

The CHAIRMAN. Doesn't Mr. William Molasky, of the Pioneer News of St. Louis, have some interest in the Daily Sports News here?

Mayor MORRISON. I can't answer from my personal knowledge whether he has or not.

The CHAIRMAN. Or the Louisiana News Co.; what is that?

Mayor MORRISON. Louisiana News Co., I understand, has a building at Clio and Carondelet. They distribute these same sheets, but, on the other hand, they have a big magazine business.

The CHAIRMAN. Maybe it is that company Mr. Molasky may have an interest in.

Mayor MORRISON. They have 40 or 50 different magazines, like Literary Digest and other magazines, they distribute. They have a rather large building they opened up about a year ago at that location.

The CHAIRMAN. Have you found any evidence of interstate control or operation in any prostitution, in the city of New Orleans?

Mayor MORRISON. No; I don't think we have. Of course, again, the superintendent could testify better on that than I could. We also have a prostitution committee headed by Reverend Jamiason in the Vieux Carre, and he has developed some facts which might indicate they bring the women in from the outside and also send them from here out. But that would be the only facts we know on the subject of interstate connections.

The CHAIRMAN. Of course, your chief would know better, but do you know whether your investigations show whether that is true or not, whether they are engaging in that sort of traffic?

Mayor MORRISON. The investigations show there is some of that traffic—that they are bringing people from across the State line, and likewise sending some out. That is our investigation. But there has been a real detailed job done on that by the Vieux Carre committee, working with these police.

The CHAIRMAN. I believe that is all.

Well, thank you very much, Mayor Morrison. We will be in touch with you from time to time while we are here.

Mayor MORRISON. I just got a note here on this question of the long-distance calls I might like to dictate in the report. Clarifying Mr.

Rice's question regarding our request to the telephone company for records of long-distance calls from the Balter Building to Florida, I would like to point out that the police department did request these records from the Southern Bell Telephone & Telegraph Co. The telephone company, while admitting that such calls were placed, refused to turn over to the police department records of these calls. They said a court order would be necessary. The police department then discussed with the district attorney—not the city attorney, the district attorney—the question of a court order. The district attorney's office advised Superintendent Scheuering in view of the fact there was no evidence of any law violations at this address, the telephone company address, a court order for seizure of these records could not be requested. The entire transaction is covered in the documents which I have filed with the committee.

That is all I have, sir.

The CHAIRMAN. All right. Thank you very much, Mr. Mayor.

(Witness excused.)

The CHAIRMAN. Now, let's get the witnesses in, see who is here, what records we have and see what arrangements we can make as to testimony.

Mr. Rice, which witnesses did you ask to bring certain records who have not brought them in?

Mr. RICE. Edward Allen.

The CHAIRMAN. Is Mr. Allen represented by any attorney here?

The CHAIRMAN. You do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ALLEN. I do.

**TESTIMONY OF EDWARD M. ALLEN, NEW ORELEANS, LA., ACCOMPANIED BY WARREN O. COLEMAN, ATORNEY, NEW ORLEANS, LA.**

Mr. COLEMAN. Mr. Allen first wants to read an objection.

The CHAIRMAN. We are calling Mr. Allen only for a limited purpose.

I do want the record to show, as it will show, that pursuant to a resolution adopted by the committee, in regular meeting in Washington, that the chairman of the committee is authorized to swear witnesses and take their sworn testimony and conduct this hearing by a subcommittee of one to be appointed by him, and that the chairman has appointed himself as a subcommittee of one to hold this hearing.

Mr. COLEMAN. I would like to read this to reserve his rights. It is just a short statement.

The CHAIRMAN. All right.

Mr. COLEMAN. This is his statement:

After consulting counsel I demand the attendance of a legal quorum of this committee before proceeding further. Should it be here ruled I am not entitled to this relief, or that the member or members present now are sufficient to constitute a quorum and compel me to proceed I do so under protest and reserve all my rights in the premises.

The CHAIRMAN. All right. The objection is noted, and the objection, on that ground, is overruled because the full committee has, as it

is authorized to under the law, delegated the power to the chairman to appoint a subcommittee of one.

Now, the only thing we wanted you now for, Mr. Allen, is for the limited purpose of seeing what records you have brought in and have they been turned over to some investigators of the staff?

(Witness produces small piece of paper.)

Mr. COLEMAN. You did have something you were going to turn over—part of your records.

Mr. ALLEN. Yes.

The CHAIRMAN. All right.

Mr. RICE. What is your name, sir?

Mr. ALLEN. Edward Allen.

Mr. RICE. Where do you live?

Mr. ALLEN. 2615 Canal.

Mr. RICE. Now, sir, are you appearing here in response to a subpoena?

Mr. ALLEN. Yes, sir.

Mr. RICE. Do you have that subpoena?

Mr. ALLEN. Yes, sir.

Mr. RICE. Will you read that subpoena, sir.

The CHAIRMAN. Let the subpoena, or a copy of it, be filed—it speaks for itself—as a part of the record. The original subpoena is here, and let it be, by incorporation, made exhibit No. 4, and a part of this witness' testimony.

(The document referred to was made a part of the record as Exhibit No. 4, and appears in the appendix on p. 426.)

Mr. RICE. Does it not direct you to appear here today and bring with you books, records, supporting documents, relating to your income and disbursements from January 1, 1944, to date; all records relating to assets and/or interest in property, either real, personal, or mixed, or legal entities during the aforesaid period; and copies of Federal income-tax returns during the aforesaid period?

Now, sir, do you have those records?

Mr. ALLEN. No, sir. On advice of counsel I respectfully decline to answer the question on the ground that it may tend to incriminate me under the laws of the State of Louisiana and of the United States Government, especially the lottery, mail statutes, the United States conspiracy laws, and income-tax laws.

Mr. RICE. Now, sir, let the record indicate that the witness is reading from a document. May I see the document? [Document handed to Mr. Rice.]

Now then, sir, I take it that your answer is that you refuse to produce any of these documents?

Mr. COLEMAN. There is one document. Why don't you produce it? (Document produced by witness.)

Mr. COLEMAN. That is his net worth.

Mr. ALLEN. That is my net worth. [Document to Mr. Rice.]

Mr. RICE. Now, we have received a document which purports to be a statement of the net worth of Edward M. Allen. Is that correct?

Mr. ALLEN. Yes, sir.

The CHAIRMAN. Let him read what he has here. It is very short. This is the only record he has brought in, Mr. Coleman?

Mr. COLEMAN. That is all.

Mr. ALLEN. Yes.

The following is my total net worth :

I have two buildings, one valued at \$10,000 and another valued at \$10,900. I have some furniture and fixtures valued at \$1,500.

In checking accounts, Edward M. Allen, there is a balance of \$194.63; in the name of E. M. Allen, agent, \$662.43; and in the name of Mrs. Laura Allen, a savings account, \$1,758.87.

I also have in notes receivable \$10,000.

(Document handed to Mr. Rice.)

Mr. RICE. Where is that checking account that you mentioned, Mr. Allen?

Mr. ALLEN. At the Whitney Bank.

Mr. RICE. In the name of Edward M. Allen?

Mr. ALLEN. Yes, sir.

Mr. RICE. Where is the savings account?

Mr. ALLEN. In the same bank.

(The document above referred to is identified as Exhibit No. 5.)

Mr. RICE. Where are the notes receivable?

Mr. ALLEN. In the bank.

Mr. RICE. What bank?

Mr. ALLEN. The Whitney National.

Mr. RICE. In a safety deposit box there?

Mr. ALLEN. No. The bank has them. They collect them for me.

Mr. RICE. They are holding them?

Mr. ALLEN. Yes, sir.

Mr. RICE. Do you have a safety deposit box?

Mr. ALLEN. Yes, sir.

Mr. RICE. Where is that?

Mr. ALLEN. At the same bank.

Mr. RICE. In what name?

Mr. ALLEN. "Edward M. Allen" and "Laura Allen."

Mr. RICE. Now, sir, do you have copies of your Federal income-tax returns?

Mr. ALLEN. No, sir.

Mr. RICE. You are called upon to produce them. Why don't you have them?

Mr. ALLEN. I stand on my same rights as I read before.

Mr. RICE. Now then, you are refusing to produce your tax returns because they may incriminate you?

Mr. ALLEN. That is right.

Mr. RICE. Is that the correct answer?

Mr. ALLEN. That is right.

Mr. RICE. What would incriminate you about a Federal tax return?

Mr. ALLEN. The same thing. I refuse to answer.

Mr. RICE. You refuse to answer the question?

Mr. ALLEN. Yes, sir.

Mr. RICE. Now, sir, do you have in mind a particular offense which might incriminate you?

Mr. ALLEN. I still refuse to answer.

Mr. RICE. You refuse to answer that question?

Mr. ALLEN. Yes, sir.

Mr. RICE. How long ago—

The CHAIRMAN. Well, I think the Chair has to direct you to answer that question, Mr. Allen.

Mr. ALLEN. Well, I stand on my rights.

The CHAIRMAN. Well, do you refuse to follow the direction of the Chair?

Mr. ALLEN. That is right.

Mr. RICE. Does the offense which you have in mind involve yourself alone or others?

Mr. ALLEN. I still stand on my rights to refuse to answer.

Mr. RICE. May I suggest to the Chair to direct the witness to answer that question?

The CHAIRMAN. Yes. I direct you to answer that question.

Mr. ALLEN. I still refuse to answer.

The CHAIRMAN. Mr. Coleman, let me state this—

Mr. COLEMAN. He gave the offenses on that slip. Where is that slip?

Mr. RICE. We are entitled to have the answer from the witness, Mr. Counsel.

The CHAIRMAN. The slip has been read into the record. As I understand it, he objects to it on the ground it might incriminate him on some State or Federal law, and particularly on some lottery laws.

Mr. ALLEN. That is right.

The CHAIRMAN. Let me speak with Mr. Coleman and the witness a minute:

The committee has no desire to—it is still a moot question. There is some question as to whether the same rules exactly apply to a congressional committee as they do to a grand jury or to an appearance in court. In view of the fact that the testimony given here under the statute cannot be repeated and used—at least the words spoken against the witness—we have gone on the assumption that substantially the same rule does apply, except that under the decisions of the courts it does not apply to something that might or would incriminate him of a State offense.

Mr. COLEMAN. I am very familiar with that.

The CHAIRMAN. You are familiar with the rules.

Mr. COLEMAN. I am familiar with that.

The CHAIRMAN. I would think that the better way to proceed is if he would bring these records in and we could go over them, one by one, ask him to introduce them, and then if you have some objection to some particular record which might incriminate him of a Federal offense, then I will rule with you on it. But certainly a general blanket refusal to produce any records, real-estate transactions—

Mr. COLEMAN. No. He has produced all those things.

The CHAIRMAN. Things that go back to 1944, and what not. That is a rather fantastic interpretation.

Mr. COLEMAN. He has produced all his net worth.

The CHAIRMAN. I know, but that is just a little statement he has brought in.

Anyway, proceed, Mr. Rice.

Mr. RICE. Now, sir, in connection with your refusal to produce copies of your tax returns: Do you have in mind that your refusal is predicated upon possible incrimination in connection with a Federal or State offense?

Mr. ALLEN. With the Federal.

Mr. RICE. Do you have a particular offense in mind?

Mr. ALLEN. Yes, sir.

Mr. RICE. Did that transaction that you have in mind occur within the last 10 years?

Mr. ALLEN. Yes, sir.

Mr. RICE. Within the last 5 years?

Mr. ALLEN. Yes, sir.

Mr. RICE. Within the last 3 years?

Mr. ALLEN. Yes, sir.

Mr. RICE. Two years?

Mr. ALLEN. Yes, sir.

Mr. RICE. One year?

Mr. ALLEN. Yes.

Mr. RICE. How about 7 years?

Mr. ALLEN. Yes, sir.

Mr. RICE. How about 8 years?

Mr. ALLEN. I don't just remember offhand.

Mr. RICE. Now, sir, does this violation which you have in mind include others?

Mr. ALLEN. I refuse to answer that.

Mr. RICE. You refuse to answer that?

Mr. ALLEN. Yes, sir.

The CHAIRMAN. Well, I will have to direct you to answer that.

Mr. ALLEN. I will refuse on the same grounds.

Mr. RICE. Are there any special circumstances which would make the answer to that question incriminating?

Mr. ALLEN. I refuse to answer.

The CHAIRMAN. Let's not get into the details of the matter. The only thing we want to know is whether he is going to bring in some records or whether he isn't. Do you have some records about property that you own?

Mr. ALLEN. If I brought in all records, would it incriminate me?

The CHAIRMAN. I say that what we would do, if you bring them in, you introduce them, one by one, and if you or your attorney want to make an objection to it we will consider it at that point.

Mr. COLEMAN. May I say one word?

The CHAIRMAN. In view of your present attitude, Mr. Allen and Mr. Coleman, there is no use in going on with the matter. You have utterly failed, and contemptuously failed, to answer this subpoena.

Mr. ALLEN. Yes, sir.

The CHAIRMAN. So you will come back in the morning. You will remain under subpoena and come back in the morning at 9:30, and we will see what, if any, records you have then. If you don't bring records, at least in some manner try to comply with the intent of this subpoena and help this committee with its inquiry, then we will have no alternative but to recommend action against you. I think that is all we need to say. Mr. Coleman, if you will have your client back at 9:30 in the morning, please.

(Witness excused.)

TESTIMONY OF CARLOS MARCELLO, MARRERO, LA., ACCOMPANIED  
BY WILLIAM C. ORCHARD, ESQ., AND G. WRAY GILL, ESQ.,  
ATTORNEYS, NEW ORLEANS, LA.

Mr. ORCHARD. At the outset, Your Honor, I am going to make the objection that there is no quorum present of this committee and we object to proceeding any further.

The CHAIRMAN. All right, Mr. Orchard, your objection has been made and it will be overruled.

Mr. ORCHARD. And we are proceeding under protest. I am going to make the further statement to the court that my client is going to refuse to produce any documents under a subpoena or refuse to testify on the ground that it might tend to incriminate him, or as not pointing to the subject of this inquiry.

Mr. GILL. And that his records are personal to himself; that they are not corporate records or statements. They are only his personal records or those involved possibly with his brother.

The CHAIRMAN. All right, we note your objection, gentlemen.

Mr. RICE. Now, sir, will you state your name for the record?

Mr. MARCELLO. Carlos Marcello.

The CHAIRMAN. You do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MARCELLO. I do.

Mr. RICE. Where do you live, Mr. Marcello?

Mr. MARCELLO. 800 Barataria Boulevard.

Mr. RICE. In what community?

Mr. MARCELLO. Marrero.

The CHAIRMAN. I didn't understand the town or the city you live in.

Mr. MARCELLO. Marrero.

Mr. GILL. M-a-r-r-e-r-o: Marrero.

Mr. RICE. Are you appearing here in response to a subpoena, Mr. Marcello?

Mr. MARCELLO. Yes [prompted by counsel].

Mr. CHAIRMAN. Of course, we are glad to have you here, gentlemen, but let's not prompt the witness on his answers. You have a seat, Mr. Gill.

Mr. RICE. Now, sir, do you have a copy of that subpoena with you?

Mr. MARCELLO. Yes.

The CHAIRMAN. Let the subpoena be copied into the record and made an exhibit at this point. The subpoena for Carlos Marcello, which has been duly served.

(The subpoena for Carlos Marcello is identified as Exhibit No. 6, and appears in the appendix on p. 426.)

Mr. RICE. Now, in part the subpoena says—

to appear and bring with you books, records and supporting documents relating to your income and disbursements since January 1, 1944, to date, all records relating to assets and/or interest in property, either real, personal, or mixed; or interest in legal entities during the aforesaid period; and copies of Federal income-tax returns during the aforesaid period.

Do you have those copies?

Mr. ORCHARD. Your Honor, I submit the subpoena speaks for itself and is the best evidence of itself.

The CHAIRMAN. All right. Counsel was reading the subpoena.



Mr. RICE. Do you have those documents?

Mr. MARCELLO. With due respect to the committee, I am going to refuse to answer any and all questions other than my name and place of residence on the ground that the answer might tend to incriminate me and I refuse to produce any documents, records, or paper on the ground that they might tend to incriminate me.

Mr. RICE. Let the record indicate that the witness is reading from a document.

May I ask you where you were born?

The CHAIRMAN. Let's find out who wrote the document?

Mr. MARCELLO. I refuse to answer the question on the ground that it might incriminate me.

The CHAIRMAN. The Chair orders you to answer the question. You are ordered to answer the question. Just say you either will or you decline: one or the other.

Mr. MARCELLO. I don't understand.

The CHAIRMAN. Well, you refuse to answer but I order you to answer. Will you follow the order of the Chair?

Mr. RICE. Will the reporter repeat the question please?

The reporter read the last question.

The CHAIRMAN. Just say you will answer it or you won't answer it: one or the other.

Mr. MARCELLO. I refuse to answer the question on the ground it might intend to criminate me.

The CHAIRMAN. And you refuse to follow the direction of the Chair in ordering you an answer it "Yes" or "No"? I have ordered you to answer the question. Will you follow the direction of the Chair?

Mr. MARCELLO. I refuse to answer the question on the ground it might intend to criminate me.

The CHAIRMAN. All right.

Mr. RICE. Now, then, do you feel that the answer would incriminate you in connection with a Federal or State offense?

Mr. MARCELLO. Not being an attorney I wouldn't know.

Mr. RICE. Do you feel that the answer would incriminate you of a Federal or a State offense? Please answer the question.

The CHAIRMAN. He said he didn't know.

Mr. MARCELLO. Not being an attorney I wouldn't know.

Mr. RICE. Then, you do not have an offense in mind?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. You then refuse to answer whether or not you have a particular offense in mind?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Will the Chair direct the witness to answer the question?

The CHAIRMAN. The Chair directs you to answer that question.

Mr. Counsel, of course the procedure is that when he refuses to answer, the technicality is that it is my duty if I think he should answer, then I shall order him to answer.

Mr. ORCHARD. Yes, sir.

The CHAIRMAN. In all these matters, unless I indicate to the contrary, if it can be understood, where he refuses to answer that the Chair has ordered him to answer and that where he refuses to follow

the direction of the Chair, then, we will get along faster. Will that be understood by you?

Mr. ORCHARD. Yes, sir.

The CHAIRMAN. Will it be understood by you, Mr. Marcello?

Mr. ORCHARD. You understand it?

Mr. GILL. Yes, sir.

The CHAIRMAN. Do you understand that?

Mr. MARCELLO. No, sir; I don't.

The CHAIRMAN. Well, then we had better just go along as we are going.

Mr. KLEIN. Maybe his counsel can clear it up for him.

(Witness confers with his counsel.)

The CHAIRMAN. Does he understand the matter?

Mr. ORCHARD. Yes, sir.

The CHAIRMAN. That is, where you refused to answer, unless I indicate to the contrary, you will assume that the chairman of the committee has ordered you to answer and that you refuse to follow the order of the Chair. Do you understand that?

Mr. MARCELLO. Yes, sir.

Mr. GILL. Would you permit me to make a statement? In fairness to the witness before the court, this man, his name has been in the newspapers. I mean continuously from day to day, sir. His name was mentioned by Mayor Morrison this morning, and apparently this man is more or less considered, according to the newspapers, as one of the prime factors to be investigated here; and we wish to say at the outset, with all due respect for the committee, that the objection that we made would like to extend to every question propounded to this witness as though it were repeated, to avoid the necessity of repetition, and at the outset that his refusal is not based upon any disrespect of the committee, but one question leading from one to another might not of itself be a matter that would tend to incriminate him, but might form a link in a chain of circumstances or evidence. We make that statement.

The CHAIRMAN. In other words, Mr. Gill, where he says "I refuse to answer" you want it understood for the record that his refusal to answer is on the grounds which he has read here—that he thinks it might tend to incriminate him.

Mr. GILL. That is correct, sir, not only of itself, but it will form a link in a chain. We make that statement to Your Honor so—

The CHAIRMAN. So that he doesn't go through the routine every time of saying, "I refuse to answer on the ground that it might incriminate me."

Mr. GILL. That is correct, sir, and also that the general answer at the incipiency of the questioning will be understood by Your Honor as applying to every question, more or less, that will be asked him, so Your Honors will not consider he is in contempt, if you should hold him in contempt more than once and not a multiplicity of counts.

The CHAIRMAN. Well, of course, I think we should make it clear, sir, that the statute authorizes a sentence of 1 year for each contempt.

Mr. GILL. I appreciate that, sir.

The CHAIRMAN. It is in the discretion of the judge who hears the case, in the event there is a conviction, to say whether they run consecutively or concurrently. So if they should find Mr. Marcello

guilty and find him guilty of 50 contempts, it would be in the discretion of the judge whether it would be 1 year or whether it would be 50 years.

Mr. GILL. I am not assuming at the outset that you will cite him for contempt at all, Senator, but should a contempt citation be issued or suggested in your sincere judgment, we are stating at the outset that we feel that having expressed himself at the beginning of the hearing that it is only fair that further questioning not be had of him at this time, or at any other time in connection with the subject matter at hand, particularly because it doesn't seem like it would be fair to continue to ask him questions merely for the purpose of getting the same answer that you know now, more or less, will be repeated, and thereby adding up multiplicity of counts to the defendant over which he has no control.

The CHAIRMAN. Well, sir, I appreciate your point of view, but there are many matters we will today and tomorrow want to ask Mr. Marcello about. Maybe his counsel and he might change his mind about answering some of them.

Go ahead, Mr. Rice.

Mr. RICE. Now, sir, is there an indictment pending against you?

Mr. MARCELLO. I refuse to answer the question on the ground it may intend to criminate me.

The CHAIRMAN. It is understood here the Chair has ordered him to answer and he refuses to follow the orders of the Chair.

Mr. GILL. Yes, sir.

Mr. ORCHARD. That is correct.

Mr. RICE. Does the transaction which you refuse to answer in the previous questions, involve yourself or others?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Did the transaction about which you have in mind occur within the past year?

Mr. MARCELLO. I refuse to answer the question on the ground it might tend to incriminate me.

Mr. RICE. Did it occur 10 years ago?

Mr. MARCELLO. I refuse to answer the question on the ground it might intend to incriminate me.

Mr. RICE. Are there any special circumstances which you would like to supply which would furnish you a reason for refusing to answer?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Do you have a criminal record?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Now, sir, you take the position of having a criminal record would incriminate you?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Where were you born?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. How old are you?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. How much education do you have?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Do you have any education?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Are you married?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Are you a citizen?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. Are you an alien?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

Mr. RICE. You may inquire, Senator.

The CHAIRMAN. Were you arrested in 1929 as an accessory before and after the fact on an assault and robbery of the Canal Bank at Algiers, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. That was in 1929? Do you think that something which happened in 1929 might incriminate you?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Were you arrested and given from 9 to 14 years on robbery, assault, and robbery, in 1930?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Mr. Counsel, may I call your attention to the fact that if he did get convicted he is already incriminated because of that offense, wasn't he?

Mr. GILL. If Your Honor please, might I ask Your Honor a question? I don't want to seem out of line. This man has been indicted in the public press, time and time again, beginning with Mr. Drew Pearson's accounts which appeared in screaming headlines all over the Nation, and apparently based, in my humble opinion, upon no proof whatsoever. Might I ask your committee, sir, as to what you gentlemen would like to know from this witness, and if we can be apprised of that fact it may be that he would answer. As it is, this man is coming before you gentlemen, trained investigators have prepared material for you gentlemen, and you gentlemen are experts at the investigation that you are conducting, and I don't mean that in any suave manner, I mean it sincerely. This man may answer a question unwittingly that may form a link in a chain of interstate connection or circumstances that may cause him to be charged in the parish tomorrow, not as the result of the testimony, but if a person's name is used that person could be a witness, and the district attorney's office is represented here in the courtroom today. Doubtless, the district attorney's office is represented here from Jefferson, as well as Orleans, where he has whatever operations he might have, and, inasmuch as that is true, if this man were to make an admission concerning any gambling operation, if he has gambling operations—

The CHAIRMAN. Mr. Gill, your point is that you want us to state for the record some of the things that we had in mind asking him about. Is that what you would like to know?

Mr. GILL. Yes, sir; some of the things you'd like to know. You have practiced law, and I know very well, and you would want to know, I am sure, if the case were yours, just what your client was called upon to say. What you wanted to know——

The CHAIRMAN. Well, I think that is——

Mr. GILL. Because I practice criminal law and I know that even though they couldn't use the testimony of this court, and anything that was said here, if the name of Jim Jones or some other name was mentioned as a person or witness, the district attorney can send for that man and send this man to jail.

The CHAIRMAN. Let's just say that we will put in the record, and furnish Mr. Gill and Mr. Marcello, quite a number of pages of Mr. Kiley's investigative report pertaining to Mr. Marcello, which will be made a part of the record at this point and that these are the things that we have in mind asking him about.

Mr. GILL. Yes, sir.

The CHAIRMAN. Let me have a clip.

Let's let this be as exhibit No. 7 to the testimony of Mr. Marcello, and this purports to give his criminal record, questions about his interests in certain operations, certain corporations, where he was born, and what he has been into. Do you have a copy that you can give to him? Will you get these same pages and give Mr. Gill the same pages? I want Mr. Gill to have a copy of that.

(Exhibit No. 7 appears in the appendix on p. 427.)

Mr. KLEIN. Kiley's report.

The CHAIRMAN. That being the case, that will give you an opportunity of looking it over and seeing it.

Mr. Kiley, will you see that these same pages are furnished to Mr. Gill?

Mr. KILEY. Yes.

The CHAIRMAN. I wanted to ask this: The report we have here shows that Mr. Marcello had stock or an interest in some corporations. I ask you if you did have stock or if you do have any part of the ownership of certain corporations?

Mr. ORCHARD. All right.

The CHAIRMAN. What is your answer?

Mr. MARCELLO. I refuse to answer the question on the ground it might tend to incriminate me.

The CHAIRMAN. Do you now or have you ever had interest in the Dixie Coin Machine Co.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. The Jefferson Music Co.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. The B. Robertson Distributing Co.?

Mr. MARCELLO. I refuse to answer that question on the ground that it might tend to incriminate me.

The CHAIRMAN. The Beverly Club?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Fogarty's News Service?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. New Southport?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Louisiana Mint Co.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Nick's Oaks, in Jefferson Parish, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Club Plaza, in Kenner, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Tregle's Dreamland Barroom, Jefferson Parish, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Louisiana Quick Freeze & Storage Co., Morgan City, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Sea Shrimp Co., Patterson, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. The Billionaire's Club, Huey Long Avenue?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. The Bank Gambling Club, Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Avenue Bar, Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Al's Bar or Phil's Cafe at Harvey, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Seamen's Cafe, Harvey, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Ivy's Place, Harvey, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Midway Inn, Marrero, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Wildwood Tavern?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Foret's Rest, Jefferson Parish, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Gay Patee, Westwego, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Club Regent, Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. A taxicab company at Algiers, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Shangri La, at Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Do you hold a mortgage on Gretna Seafood, Gretna, La., in the amount of \$12,000 or any other amount?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Nelson's Roof Terrace in Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Texas Tavern, Harvey, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Did I ask you whether you received any income from B. Robertson Distributing Co., Baronne Street, New Orleans, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. We understand the reason you give for refusing to answer.

Do you have any interests or receive any income from handbooks and wire service from Jefferson Parish?

Mr. MARCELLO. I refuse to answer the question on the ground that it might tend to incriminate me.

The CHAIRMAN. Do you own any property on Roman Street in Gretna, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Do you have any interests in Texas Tavern, Harvey, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. All right, if you want to ask him any questions.

Mr. RICE. Yes; have you engaged in any business enterprises with G. Wray Gill?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Joseph Poretto?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Are you engaged in an oil enterprise in the Pickens Field with Joseph Poretto?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Do you have any interest in a slot-machine-parts factory about to be built in Louisiana?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Do you know Jake Jockey Pinello?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Are you engaged in any business enterprise with Jockey Pinello?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Are you in the slot-machine business with Jockey Pinello?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Do you know Beauregard Miller?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Do you know Frank Clancy?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Let me ask, have you ever heard of any of these people?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Have you ever heard of any of these companies or businesses that I asked you about?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Did you ever read about them in the newspapers?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. Have you ever been outside of the State of Louisiana?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

MR. RICE. Did you have an interest in the wire-service operation of Poretto in 1946?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

MR. RICE. Do you have an interest in the wire-service business now?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

MR. RICE. Do you have an interest in the Club Forrest?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

THE CHAIRMAN. AS I understand the situation, then, Mr.—All right, Mr. Rice.

MR. RICE. Have you ever heard of the Unione Siciliane?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

MR. RICE. Have you ever heard of the Mafia?

MR. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

MR. RICE. Did you attend a meeting at the Black Diamond Night Club in 1947?



Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you attended a meeting at the Wildwood Tavern with Frank Costello?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. At the Black Diamond Night Club did you attend a meeting on May 5, 1947, with the following people:

Mr. ORCHARD. I am going to suggest if counsel is going to testify let him be sworn. He is testifying who was at a meeting that he probably don't have any knowledge of.

The CHAIRMAN. Well, if he says he wasn't at the meeting, why, then that's that. But counsel has got to ask questions. The offender here, I think, I am sorry to say, Mr. Orchard, is Mr. Marcello.

Mr. ORCHARD. I would like my objection entered.

The CHAIRMAN. All right, you have your objection in the record.

Mr. RICE. Did you attend a meeting at the Black Diamond Night Club on May 5, 1947, with Henry Muller?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Joseph Capro?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. M. J. Pecora?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Charles Ricks?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Tom Rizzuto?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Vincent, Joseph, Anthony, Jake, and Nick Marcello?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Any of the following, and permit me to ask you these before you answer: G. J. Robes, Frank Lobardino, Mel Melancon, Nick Grifazzi, Alexander Cardona, Felix Valdez, Frank P. Coppola, George Loveland, John Moreno, Jr., Joseph Hebert, Webster Blakely, Percy Wilson, Thomas Norton Johnson, or Salvatore J. Marcianti?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Frank Costello?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Joseph Almerico?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you ever have a shooting scrap with Joseph Almerico?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. In front of the Hadacol Club at 1314 Canal Street?

Mr. GILL. If it please Your Honor, these questions, while they might defame and degrade the witness, I don't believe are pertinent to the

scope of the inquiry, for which the resolution was passed. I object to that form of questioning, may it please Your Honor.

The CHAIRMAN. Well, having read the memoranda relative to this inquiry and knowing something of the alleged connections with some of these people with what we are inquiring about, I am afraid I will have to say that they are pertinent.

Mr. GILL. Your Honor will note the objection.

The CHAIRMAN. Yes, sir.

Mr. GILL. Thank you, sir.

Mr. ORCHARD. I note an objection, too.

Mr. RICE. Do you deal with Al Robinson in business?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you have any business association with Johnny Bertuccia of the Dixie Coin Co., Gulfport, Miss.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you have an interest in the National Finance Co.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever heard of the National Finance Co. of Biloxi, Miss.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you have an interest in Jerome's Gymnasium?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Jerome Comforto?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you have any money invested in any legitimate enterprises?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Were you born in Tunis, Africa?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you served time in Louisiana State penitentiary?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever been convicted of a narcotic violation?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever been convicted for armed robbery?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you any interest in a liquor store?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Sam Carollo?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Anthony Carollo?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you provide an automobile to Sam Carollo for his return from California?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Salvatore Vittali?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you entertained him at dinner at the restaurant of Vic Longo?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. At that time, did you entertain, also, Anthony Saragusa and Vic Longo?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Now, sir; do you have a telephone?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Phil Kastel?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you have any interest in the Beverly Club?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Roy Palopinta?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Louis Battalamente?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you ever make a statement that you had an interest of between 40 and 50 thousand dollars in the Beverly Club?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you ever make a statement that you had bought the new Southport Club from Vic Trapani at a cost of between 160,000 or 165,000?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you ever say that you ever had a thousand dollars invested in the La-Quick Freeze in Morgan City, La.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you ever say that you owned the building but not the business at 1410 Monroe Street, Gretna, La.?

Mr. GILL. If Your Honor please, in fairness of the witness, the gentleman is asking questions I think it should be said to whom and where, and not just say "Did you ever say?" He should ask him who, where, and when it was said.

The CHAIRMAN. Well, in 1948.

Mr. RICE. On or about October 1948, did you make any of those statements to anyone?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you say that you owned outright Phil's Cafe, 508 Destrehan Street, Harvey?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you own your home?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Where is your home?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Haven't you previously answered where you live?

Mr. GILL. If Your Honor please—

Mr. RICE. Have you answered where you live?

Mr. GILL. If Your Honor please, if the gentleman knows that, I submit it should not be asked this witness.

The CHAIRMAN. Well, I can't understand why—

Mr. RICE. It is a discrepancy; he says he—

Mr. GILL. For a count of contempt. Several questions have been asked him twice, or several times, about his arrests.

Mr. RICE. We are entitled to second refusal.

Mr. GILL. I ask, Your Honor, to note my objection.

The CHAIRMAN. Yes; we do. We note it.

Mr. RICE. Now, sir, have you answered where you live?

Mr. MARCELLO. 800 Baratavia Boulevard.

Mr. RICE. Do you own that home?

Mr. MARCELLO. I refuse to answer the question. It might tend to incriminate me.

Mr. RICE. Did you say that you held the mortgage on a house of Joseph Macalussa?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you hold a mortgage on the house of Joseph Macalussa?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. ORCHARD. Your Honor, I think the question should be when and where and not just a fishing expedition, just going all over the city of New Orleans and parishes.

The CHAIRMAN. Apparently, if he had owned a mortgage on somebody's home he'd be pretty likely to know about it, even a big-business man, I suppose he is one. He must know what it is about because he thinks it's going to incriminate him to tell.

Mr. ORCHARD. I would like my objection to be noted that it is not pertinent.

The CHAIRMAN. All right. We note the objection.

Mr. RICE. Have you ever had a mortgage on Shangri La, 400 Monroe Street, Gretna?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. GILL. I'd like, Your Honor, to note that question has already been asked, too.

The CHAIRMAN. Did I ask that question?

Mr. GILL. Someone did, I don't remember who.

The CHAIRMAN. I think I asked him if he had an interest in it.

Mr. ORCHARD. Yes; I think it was a different form.

Mr. RICE. We understand it is a mortgage.

Mr. ORCHARD. I think the Senator asked did he have an interest and you asked did he have a mortgage. That is what I understand your question to be now.

Mr. RICE. Yes.

Mr. ORCHARD. Has he answered that question, Mr. Reporter?

Mr. RICE. We understand that the mortgage is now paid.

The REPORTER. No; he hasn't answered.

Mr. ORCHARD. Answer that last question.

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever loaned the Gretna Seafood Co. several thousand dollars?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you held a mortgage on Nelson's Roof Terrace, at Gretna?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever been connected with the Southern News Service?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. I invite your attention to the fact that the Southern News Service ceased doing business on or about January 1, 1947. Do you still refuse to answer?

Mr. MARCELLO. (Nods "Yes.")

Mr. ORCHARD. Say "Yes."

Mr. MARCELLO. Yes.

Mr. RICE. Do you have any interest in a used-car business?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you financially assisted Mickey Gardelli?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. In 1948, did you make a statement that you had a one-third interest in the Dixie Coin Machine Co.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Now, sir, do you have the following telephones, listed to you?

Mr. MARCELLO. I refuse to answer the question——

Mr. ORCHARD. Wait, wait. Let him finish.

Mr. RICE. Algiers 5777. Is that your telephone?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Algiers 2171?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Chestnut 7122?

Mr. MARCELLO. I refuse to answer the question. It might tend to incriminate me.

Mr. RICE. Tyler 3307?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Now, Mr. Counsel, what is the purpose of asking about the telephone numbers? Do you have records of telephone conversations with people in interstate commerce?

Mr. RICE. Yes. We have toll calls made from those telephones to certain individuals.

Mr. ORCHARD. I would like to inquire of counsel if there is any record of who made those toll calls; whether this defendant made them?

The CHAIRMAN. I was asking counsel if he was going to bring out who they were to or some of the people they were to or from.

Mr. ORCHARD. Anybody can make a toll call from a number.

Mr. RICE. Did you not recently make a person-to-person telephone call to Harry Brooks, associate of Mickey Cohen?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you not call Harry Brooks at the time he was in Texas recently?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you not recently make a person-to-person telephone call to Joe Savela in Dallas, Tex.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Did you recently make a person-to-person telephone call to Vincent Valloni, in Houston, Tex.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know Vincent Valloni?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know that Vincent Valloni was murdered?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know that Vincent Valloni was murdered subsequent to your telephone call?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Do you know that the murderer of Vincent Valloni said that he killed him on instructions of Peter Duca?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. In a Mafia-type killing?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you recently made a person-to-person call to Sam Garras?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Where is Mr. Garras and who is he, so we can connect that?

Mr. RICE. Is not Garras—did you not call Garras in Dallas, Tex.?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Isn't Garras the brother of Dave Garras, the Chicago hoodlum?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. ORCHARD. Senator, I think it is going far afield to call a man a hoodlum or nobody knows who he is. There is no record, or—

The CHAIRMAN. I think we have a considerable record, but we will just say "alleged."

Mr. ORCHARD. I think counsel is trying to have a Roman field day for the benefit of the city of New Orleans.

Mr. RICE. I think your client can probably clear up quite a few of these matters for us if he will explain the nature of the telephone calls and what his business transactions with these individuals were. We are perfectly willing to hear his explanation.

The CHAIRMAN. That is all right. Apparently he is not going into explanation of that.

Mr. GILL. Of course, may it please Your Honor, counsel is assuming the defendant knows all about that and can give an explanation.

Mr. KLEIN. Mr. Marcello, are you a member of the Mafia?

The CHAIRMAN. He answered that.

Mr. MARCELL. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. ORCHARD. That has been asked him before.

The CHAIRMAN. He answered that.

Mr. ORCHARD. He's been asked that.

Mr. GILL. It hasn't been asked in those words, may it please Your Honor, but it has been asked and this would be another count.

The CHAIRMAN. All right, do you make any contributions to any political campaigns?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Did you ever give a bribe to a law-enforcement officer?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Have you been making about 11 or 12 thousand dollars out of the Jefferson Music Co. each year?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. About 15 or 16 out of the New Southport Inn?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Now, I see no reason to go on with a whole lot of this, unless you have something else?

Mr. RICE. Yes.

The CHAIRMAN. How about the Jefferson Music Co.? Does it pay you about \$25,000 a year?

Mr. ORCHARD. Gentlemen, I am going to object unless I know the source of those findings. If they are from the income-tax return, I think it is prohibited under the statute to divulge.

The CHAIRMAN. I was asking him whether he made anything out of the Jefferson Music Co. per year.

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. Do you have any other questions? Let's get this over with.

Mr. RICE. Did you not in September 1946 drive an automobile bearing Michigan license plates which were issued to John Minaudo, of Detroit?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. What is the purpose of that John Minaudo?

Mr. RICE. John Minaudo is a notorious hoodlum.

The CHAIRMAN. John Minaudo is somebody we have been investigating in Detroit.

Mr. RICE. That is correct.

The CHAIRMAN. What was the license number? Ask him what the license number was.

Mr. RICE. I don't believe we have that license, Senator; but we do have the license number of the car he was seen driving, Oklahoma plates, 61-38, in 1948. This license was issued December 2, 1941, to William Stevens Mullins, of Cherokee, Okla., by transfer from the State of Mississippi.

The CHAIRMAN. Ask him if he was driving that car.

Mr. RICE. Did you ever drive that car?

Mr. MARCELLO. I refuse to answer the question on the ground that it may tend to incriminate me.

The CHAIRMAN. I think we have asked enough.

In looking over this part of the report we were going to put in the record, I find that the latter part of it has some names about which I really don't have information, some few, so only the part of the report which is titled "Citizenship Status, Criminal Record" and "Brief Curricula of Information," consisting of 21½ pages, will be put into the record, and I will ask Mr. Kiley to see Mr. Gill, that you read it, and also he can tell you some of the other reasons why we have been anxious to talk with Mr. Marcello.

Mr. ORCHARD. Of course, Senator. I would like it to be understood, of course, any part of that report that is incorporated in the record is not to be considered the testimony of this witness.

The CHAIRMAN. No; that is right. But I mean Mr. Gill asked for some reasons why the questions were asked, and that part of the report gives the criminal record, and also certain other parts, which will be put in upon the suggestion of Mr. Gill.

Mr. GILL. No; I am not asking anything be put in the record. I just wanted to see it, Senator.

The CHAIRMAN. Well, I misunderstood.

Mr. GILL. In fact, I object to anything going in the record other than the questions and answers of this defendant, this witness.

The CHAIRMAN. I had understood you wanted something in the record to show the reasons why we have asked these questions.

Mr. GILL. No, sir.



The CHAIRMAN. So, anyway, the committee will order—

Mr. GILL. It was my thought at that time, Senator, we would have an adjournment.

The CHAIRMAN. The bottom part of pages 2, 3, and the top of page 4 are relevant. The committee will state further, to you, Counsel, that the committee has had quite an extensive investigation in which Mr. Marcello has played a very important part, in the State of Louisiana. The committee has information and reason to believe that he has had gambling, narcotics, and other kinds of operations with not only criminal characters in the State of Louisiana but in other parts of the United States; that he owns and has interest in quite a number of illegitimate businesses, illegal businesses, and probably some legal businesses; that he was born in Tunis, Africa, I believe in 1910, of Sicilian parents; that he came here in October 1910, that he has been engaged in many violations of law with various and sundry people from many parts of the United States; that he has had many meetings with criminal characters from other parts of the United States; investments in the Beverly Club, another club out here, I think, the Forrest Club, a racing news service, and many of the other organizations that counsel has asked about; that Mr. Marcello, according to the investigative reports, is one of the principal criminals in the United States today.

Mr. ORCHARD. Well, counsel will—

The CHAIRMAN. You were asking why we wanted to ask these questions, what the relevancy was; some I have told you, sir.

Mr. ORCHARD. Counsel for Mr. Marcello, with due deference to the Senator, strenuously objects to his statement as being unfair, as being based upon an investigation which obviously may be hearsay, rumor, and without any basis in fact or in law, and I would like my objection to be noted in the record.

The CHAIRMAN. Your objection will be noted.

Mr. GILL. And in fairness to the defendant, may it please Your Honor, we would ask that that statement be stricken from the record and that the pages that Your Honor has there not be permitted to be introduced in the record. When I asked for them I wanted them as a point of information that we might converse with Mr. Marcello, and I thought an adjournment would then be had. Your Honor having proceeded, they are worthless to us. You have proceeded.

The CHAIRMAN. I didn't know. I thought you wanted the information about the relevancy of the questions.

Mr. ORCHARD. I think we ought to do this. At least we ought to get them, look at them, and talk with his brothers, come back here tomorrow and we might be able to proceed a little better.

The CHAIRMAN. I will tell you what we will do—of course, his criminal record is a matter of public information; that about where he has served and what he has done. Beginning at bottom of page 2—

Mr. GILL. He was pardoned.

Mr. ORCHARD. He was pardoned, and nothing was said about that part of it.

The CHAIRMAN. To the bottom of page 4 will be made a part of the record. The rest of it Mr. Kiley will go over with you, gentleman, and give you a general idea about what we have.

Another reason we have been wanting to inquire of Mr. Marcello: It appears from the record that he is not a naturalized citizen; he is

here as an alien; and that with all of his convictions, how he has managed not to be deported—

Mr. GILL. He was pardoned, I believe, Your Honor.

The CHAIRMAN. He was pardoned by Gov. O. K. Allen on one occasion. He made an application I think to the President of the United States for pardon on narcotics charge which was denied in 1948.

Mr. GILL. That is correct.

The CHAIRMAN. The record is long, the connections are bad, the implications according to our report are most sinister, and we wanted to find out among other things what was the trouble with our naturalization and immigration laws that a man who is apparently having such a detrimental effect to law enforcement and to decency in the community how he can continue to stay here.

Mr. ORCHARD. Senator, we are still going to renew our objections to your remarks.

The CHAIRMAN. If I have to go into the matter further, if you want Mr. Marcello to give any testimony, you may come in the morning.

Mr. Kiley, will you inform Mr. Gill and these gentlemen of some more details. Except for those three pages, the statement will be withdrawn. That is all now, gentlemen.

Mr. ORCHARD. Subject to our objection now.

The CHAIRMAN. Mr. Marcello, you will remain under subpoena subject to the further call of the committee. It must be very manifest that with all the vigor at the subcommittee's command, we will recommend that your contemptuous action before this committee be dealt with according to law.

Mr. MARCELLO. Thank you, sir.

Mr. GILL. If Your Honor please, may I state for the record, that from the questions asked this witness, particularly with reference to his alien status, it is very obvious as to why the witness, who is untutored, doesn't have a good education at all, would refuse to swap intellect with the gentlemen of the committee. That is why I asked at the outset for such information as you may have. I say in all fairness, the repeated questions to this witness, after he stated at the outset that he wouldn't answer, should not in all fairness form more than the basis for one contempt, may it please Your Honor.

The CHAIRMAN. Well, now, I tell you, Mr. Gill, in looking over the records of what we have here in the file of the business transactions of this witness, he may be untutored, he may not be formally educated, but he is certainly got his fingers in a lot of businesses in very astute sorts of ways. He is pretty well able to take care of himself. Besides—

Mr. ORCHARD. Are his brothers to come back tomorrow with Mr. Trapani?

The CHAIRMAN. He has two very eminent counsel representing him, I am sure.

Mr. RICE. You gentlemen represent the brothers, too?

Mr. ORCHARD. Yes, sir. We urge no objection to that last remark.

Mr. GILL. There was a man recently died who is in the banana business here; he lost his job when he was a young man because he couldn't read or write, but he was in a school in Canada. He lost his job, but the man left about \$90,000,000. Sometimes not being able to read and write is a good asset.

The CHAIRMAN. You will be here with the brothers tomorrow.

Mr. GILL. You want them in the morning?

The CHAIRMAN. At 9:30 in the morning.

(Witness excused.)

The CHAIRMAN. We have done very poorly by the other lawyers here. Now, let's see who is here and who has already brought records in and we will see if we can make some arrangements about when to come back.

Who represents Mr. Kastel?

Mr. JAMES O'CONNOR, JR. I do.

The CHAIRMAN. Mr. O'Connor, how would you like, let's say at 8 o'clock tonight? Are you tied up tonight?

Mr. O'CONNOR. I am at your convenience, sir.

The CHAIRMAN. We are going to have to have a night session.

Mr. O'CONNOR. I am at your convenience.

The CHAIRMAN. Suppose we say we will have your client at 8 o'clock tonight. Is that all right?

Mr. O'CONNOR. Yes, sir.

The CHAIRMAN. Thank you very much.

Mr. O'CONNOR. May I ask the Senator something, or counsel?

The CHAIRMAN. We will have a recess.

(Bench conference.)

The CHAIRMAN. Who else is here?

Mr. LEVY. Gus Levy, representing Maurice I. Roufa.

The CHAIRMAN. Mr. Roufa, you represent?

Mr. RICE. He has turned them over to us.

Mr. LEVY. He has turned them over to one of the investigators. I want to say one thing. You have asked for income-tax returns from 1946, I believe it was, and he has only been able to produce 1948 and 1949. The other records are in St. Louis. He moved here 2½ years ago. His auditors up there probably—

Mr. RICE. We will see if we can get along on that.

The CHAIRMAN. We will see if we can get along on what we have, provided you are willing to bring in the others.

Mr. LEVY. Could you make it a little earlier than that?

The CHAIRMAN. Suppose you come back right after recess.

We will recess until 2:15. Suppose you come back at 2:15.

All right, Mr. Talbot.

Mr. TALBOT. I would like to have an hour, please, too.

The CHAIRMAN. Whom do you represent, Mr. Talbot?

Mr. TALBOT. Mr. Clancy and Mr. Paul Cassagne.

The CHAIRMAN. How about the records of these gentlemen?

Mr. TALBOT. I will state that the record situation is somewhat complicated, and I would like to present it when we take the stand in an orderly manner. I am very well aware of the constitutional innovations, and I would like to make my return when I am called on the stand, or my witnesses are called.

The CHAIRMAN. Suppose you and your clients come in at 9:30 in the morning.

Mr. TALBOT. Thank you. Will it be possible to hear them both so I won't be tied up indefinitely?

The CHAIRMAN. Yes, sir; when we hear one we will hear the other.

Mr. Dowling, whom do you represent?

Mr. DOWLING. Sheriff Rowley of St. Bernard, and the criminal sheriff of Orleans Parish, Grosch, John J. Grosch.

The CHAIRMAN. Would 10:30 in the morning be all right with you?

Mr. DOWLING. Yes, sir. I had another matter at 3 o'clock tomorrow evening before the Civil Service Commission here.

The CHAIRMAN. We will endeavor to take it up then.

Mr. GENERELLY. Mr. Chairman, my name is Generelly, Edward A. I represent Edwin Fauria.

Mr. RICE. What is the status of his records? Have you submitted them?

Mr. GENERELLY. We have them here. We haven't turned them over to anybody. We are ready to do so.

The CHAIRMAN. All right, Mr. Ahern, will you see Mr. Generelly? If you will be back at 3 o'clock—suppose we say after lunch, after the recess tomorrow afternoon.

Mr. GENERELLY. That is for Fauria. That is all right.

The CHAIRMAN. That will be say after recess, Friday, if that is all right.

Mr. R. A. DOWLING. Will the chairman hear me on Sheriff Grosch?

The CHAIRMAN. Yes, Mr. Dowling.

Mr. DOWLING. There is something on tomorrow. Sheriff Grosch is the custodian of the jail and is the official executioner of the parish of Orleans, there is to be an execution tomorrow noon and he has to be in prison in that case. There is a man named Simpson being executed for murder.

The CHAIRMAN. All right, sir; can you come in tonight?

Mr. DOWLING. We can come in tonight; yes.

The CHAIRMAN. Then, tonight at 8 or 8:30.

Mr. WEYSHAM. I am Alcide Weysham; I represent Vernile Cavalier. He doesn't have any records.

The CHAIRMAN. You represent whom?

Mr. WEYSHAM. Cavalier.

The CHAIRMAN. Where is Mr. Cavalier from?

Mr. WEYSHAM. He is from New Orleans.

The CHAIRMAN. He doesn't have any records?

Mr. WEYSHAM. No, sir.

The CHAIRMAN. Why doesn't he have any records at all?

Mr. WEYSHAM. He wasn't asked to bring any.

Mr. RICE. There are no records required of him.

The CHAIRMAN. Do you want to come in tonight?

Mr. WEYSHAM. Yes, sir, what time?

Mr. RICE. We won't use him until tomorrow.

The CHAIRMAN. I expect you had better come tomorrow afternoon.

Mr. WEYSHAM. What time, Senator?

The CHAIRMAN. Two o'clock will be all right.

Do we have any other counsel?

Yes, lady?

Miss LEWIS. Miss Lewis is my name.

The CHAIRMAN. Yes, Miss Lewis?

Miss LEWIS. Will you give us a chance about 4 o'clock tomorrow evening to come here and speak?

The CHAIRMAN. Miss Lewis, I don't know what you want to speak about, but suppose I assign somebody of the staff to talk with you

about the matter you want to talk about, then we will determine that after you have talked with——

Mr. Mills, will you talk with this good lady? Will you make an engagement to talk with Mr. Mills?

The CHAIRMAN. The committee will stand in recess until 2:30. (Whereupon at 1:20 the hearing was recessed until 2:30 p. m.)

#### AFTERNOON SESSION

(The marshal called the three Mills brothers and Frank Muller, missing witnesses in the investigation.)

The CHAIRMAN. The committee will come to order.

I am advised by the marshal that the missing witnesses Henry Mills, Arthur Mills, Frank Mills, Osman Litloff, and Henry Muller have been called again and they are still not present.

Now, Mr. Rice, can we see whom we are going to have this afternoon and let the other witnesses go.

Mr. LEVY. Mr. Roufa was supposed to be called at 2:30.

The CHAIRMAN. Yes, that's right.

Mr. RICE. We would like to have witnesses Warren Moity, J. J. Fogarty, Joseph Poretto, Roufa, Jimmy Moran, and Reverend Dawson remain this afternoon, and arrangements have previously been made for witnesses Kastel and Grosch to appear this evening.

The CHAIRMAN. All right. Well, all other witnesses besides those whose names have been read can go and come back at 9:30 in the morning.

Now, do we have any other witnesses with any connections with records? Do you know whether they have brought them or not?

Mr. RICE. I think it would probably be more proper to take them as they come.

The CHAIRMAN. They will be taken as they come. Who is our first witness this afternoon?

Mr. RICE. Warren James Moity.

The CHAIRMAN. Now, we told somebody to be here at 2:30.

Mr. LEVY. I understood Mr. Roufa would be called right after lunch. His testimony is very short.

The CHAIRMAN. I think in 30 minutes we can be to him.

Mr. LEVY. Except I was told right after lunch; he will be called right after lunch, that's why I came back in such a hurry.

The CHAIRMAN. Do you mind waiting?

Mr. LEVY. Well, I'll have to.

#### TESTIMONY OF WARREN JAMES MOITY, NEW IBERIA, LA.

Mr. RICE. Have you stated your name for the record?

Mr. MOITY. My name is Warren James Moity.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOITY. I do.

Mr. RICE. Mr. Moity, where do you live?

Mr. MOITY. I live at New Iberia, La., in Iberia Parish.

Mr. RICE. Have you been living there some time, Mr. Moity?

Mr. MOITY. I have stayed there all my life.

The CHAIRMAN. How old are you, Mr. Moity?

Mr. MOITY. Twenty-eight.

The CHAIRMAN. Just a young fellow.

Mr. RICE. Now, going back to the spring of 1949, will you tell us, Mr. Moity, what happened to you, what business you entered into?

Mr. MOITY. I was engaged in the real estate and general insurance business there at New Iberia. After running for mayor of the city of New Iberia, in which I was a defeated candidate, I had several friends of mine who did come to me and tell me of a handicap they were in, and when I asked what that handicap was, they told me they were in the coin-machine business, better known as slot machines, jukeboxes, and things of that nature. They were informed that they could put their machines out but they had to pay a shake-down to the sheriff, Gilbert Ozenne, and Howard LaBauve, who is the city marshal of the sixth ward in Iberia Parish.

Mr. RICE. All right, sir. Now, then, what did you do?

Mr. MOITY. I first talked to various friends of mine whom I thought I could get the straight dope from, and discussed it with various citizens who were fighting slot machines and other forms of gambling in the section. I then came to New Orleans to seek assistance from Mayor Morrison, and I was referred to Mayor Morrison's assistant, Ray Scheuering.

Mr. RICE. What type of assistance were you looking for, Mr. Moity?

Mr. MOITY. I was looking for the type of assistance to secure necessary law enforcement to stop gambling, stop the shake-down from gambling, and have the law enforced.

Mr. RICE. Yes. Well, you were in New Iberia. Why did you come to New Orleans for that?

Mr. MOITY. I came to New Orleans when radio talks were unsuccessful, when you could not get the authorities at New Iberia or anywhere in the parish to act. When the heat was put on they all went fishing. And after going to various law-enforcement officers, including the sheriff and the city marshal, who refused to act for the reason that they were protecting the gamblers.

The CHAIRMAN. Did you go to see them personally, Mr. Moity?

Mr. MOITY. I sure did, sir.

The CHAIRMAN. All right.

Mr. MOITY. I received no assistance. I tried to get the local newspaper there to carry a few articles and the only way I got them was to pay for it at political rates, which, as you all may be acquainted with, are out of this world. Then they wouldn't even take that toward the last.

Mr. RICE. All right, sir. Now, coming back to your trip here; what happened here? Did you get help, or what?

Mr. MOITY. No, sir; Mr. Scheuering referred me to Mr. Lopez, who is at the head of the FBI.

Mr. RICE. Yes.

Mr. MOITY. Mr. Lopez telling me that was out of his jurisdiction, I went to Washington—

Mr. RICE. Yes.

Mr. MOITY. To give a report when I heard of this Kefauver committee, and immediately upon going to Washington I gave testimony to Mr. Kiley and Mr. Robinson, after my life had been threatened several times if I would do so; but regardless, I went ahead and did

that. And I—well—told the officials there at Iberia, and after threats had been given over the telephone, and one threat by a deputy sheriff, that if they decided, they would kill me, or throw me in jail that would be all right with me, but by death would be the only way that I would stop, and I even went as far as to go into the slot-machine business myself.

Mr. RICE. All right, sir. Now, going into the slot-machine business—

The CHAIRMAN. Before you get to that, who threatened you?

Mr. MOITY. I was threatened approximately nine times—no, not approximately. I was threatened nine times. One time by Deputy Sheriff Charley Reed who is also an employee of the Texas Co., and when I recognized his voice he then tried to turn it into a joke. Now, I was notified that the sheriff's son-in-law, Camille Sliman, was going to put me out of circulation, but up to now I am still breathing pretty healthy.

The CHAIRMAN. Yes, we see.

Mr. MOITY. I have been working on this for approximately 2 years, now, and I might mention that Marshal LaBauve, after he, himself, put an article in the paper taking slot machines and all forms of gambling out of circulation because it wasn't doing juvenile delinquency no good. After the shake-down money started coming in, he then, he himself, gave them permission to put the slot machines and other forms of gambling right back into operation.

Mr. RICE. All right, sir. Now, let's go back to the time that you entered into the business. Tell us how, when you decided to go into the slot-machine business, how you went about doing it, what you did, whom you got in touch with, and what happened?

Mr. MOITY. Well, when I went into the slot-machine business—

Mr. RICE. When was that?

Mr. MOITY. That was approximately July or August, 2 years ago, or a year and a half ago.

Mr. RICE. Of 1949?

Mr. MOITY. Yes, sir.

Mr. RICE. Now, what happened? How did you do that?

Mr. MOITY. Well, I told a business partner, Compton LaBauve, who is a jeweler there in New Iberia, that I would like to go in the slot-machine business.

Mr. RICE. Yes?

Mr. MOITY. He then got in touch—in fact, William Webster got ahold of me, who is a slot-machine operator in Mariana, Fla.

Mr. RICE. How did you get in touch with William Webster?

Mr. MOITY. He got in touch with me.

Mr. RICE. Who put him in touch with you?

Mr. MOITY. Fletcher Blaplit, F. A. B. Distributing Co.

Mr. RICE. Who is he?

Mr. MOITY. A distributor of phonographs here in the city of New Orleans.

Mr. RICE. Did you let him know you were interested in getting in the slot-machine business?

Mr. MOITY. No, sir; I let Compton LaBauve, of New Iberia, know it.

Mr. RICE. You let Compton LaBauve know you wanted to get in the business?

Mr. MOITY. Yes, sir.

Mr. RICE. The first thing you knew you were contacted by Webster, of where?

Mr. MOITY. William Webster, of Mariana, Fla.

Mr. RICE. What did Webster tell you? What was his proposition?

Mr. MOITY. Webster told me all I would have to do was front for the machines; I would receive 25 percent.

Mr. RICE. Did he tell you he was in the slot-machine business?

Mr. MOITY. Yes, sir.

Mr. RICE. Where?

Mr. MOITY. In Mariana, Fla.

Mr. RICE. He came over here, then?

Mr. MOITY. That was because the heat was on there and they had everything closed up. He lost his sheriff from down there, so they say.

Mr. RICE. They chased him out of Florida and he appeared here.

Mr. MOITY. They chased him out of Florida after he had spent a considerable amount of money to elect this sheriff. He was unsuccessful, and he had to pay the price.

Mr. RICE. All right, sir; what was his proposition to you here?

Mr. MOITY. He gave me 25 percent of the take—of the profits, rather—and furnished the machines.

Mr. RICE. Now, where did the machines come from?

Mr. MOITY. They came from Mariana, Fla.

Mr. RICE. He brought them over with him?

Mr. MOITY. Yes, sir.

Mr. RICE. All right.

Mr. MOITY. They were shipped by a van line, however. He didn't carry them here. They came in from some van line.

Mr. RICE. Yes, sir.

Mr. MOITY. And I received the machines. And there was an agreement that he would take 50 percent and give Compton LaBauve and myself each 25 percent.

Mr. RICE. LaBauve, what job does he have?

Mr. MOITY. He is a jeweler. Compton LaBauve I am speaking of now is a jeweler at New Iberia.

Mr. RICE. Yes. Now, does he have a close relative?

Mr. MOITY. He has a brother who is the city marshal there, Howard P. LaBauve.

Mr. RICE. All right, sir. Now, you are in business with Mr. Webster of Mariana. What did you do, put machines out in locations?

Mr. MOITY. Yes, sir. I immediately went out to secure locations. Didn't take me long to learn I wasn't going to get many good ones because the sheriff's son-in-law got those.

Mr. RICE. What is his name?

Mr. MOITY. Camille Sliman.

Mr. RICE. All right, sir.

Mr. MOITY. And Edward Elias, who is the brother-in-law of Marshal Howard P. LaBauve, had the rest of them.

Mr. RICE. How many machines did you get out?

Mr. MOITY. I got approximately 40 machines.

Mr. RICE. And during the time you had those machines, what was the results of the operation? Was it successful?



Mr. MOITY. Well, I'll tell you what happened: The first move Marshal LaBauve called me in his office to give me the third degree. Now, I might add that I supported Marshal LaBauve when he ran for city marshal, when he took out the machines and he was going to do the right thing. Well, when I learned Marshal LaBauve had changed his mind when the cash came around, I said nothing. I knew there was but one way to straighten it out and that was to secure enough evidence.

Mr. RICE. I don't understand you. Do you indicate that Marshal LaBauve told you to get out of business or pay him off, or what?

Mr. MOITY. That is it, exactly. Not if I wanted. He told me he was going to crush every machine I had unless I paid the money.

Mr. RICE. Did he mention any specific amounts he was to be paid?

Mr. MOITY. Yes, sir; it amounts to \$76 per machine per year.

Mr. RICE. And that was what he wanted?

Mr. MOITY. That is what he wanted. Now, of that \$76 per year, that is to be divided between Howard P. LaBauve, the city marshal, and Sheriff Gilbert Ozenne.

Mr. RICE. Did he tell you that?

Mr. MOITY. That is exactly right. But he did not have the guts to collect it himself. He has a man to collect it by the name of Amar Rodrigue, who also sent me word they were going to put me out of business.

Mr. RICE. Suppose you didn't pay this money, what would happen to you?

Mr. MOITY. Nothing did happen, but they tried to threaten me that I'd get killed or they'd give my family bodily harm, and they'd go to the locations—

Mr. RICE. All right, sir. Did you pay the money?

Mr. MOITY. I paid three payments.

Mr. RICE. To whom?

Mr. MOITY. I paid them to Amar Rodrigue.

Mr. RICE. And in what amounts?

Mr. MOITY. At \$50 per month.

Mr. RICE. For how many machines?

Mr. MOITY. Well, that was—

Mr. RICE. For the entire operation?

Mr. MOITY. Yes, sir; that was for the entire operation.

Mr. RICE. All right, sir. What happened to that enterprise?

Mr. MOITY. Well, sir, when I wouldn't give no money to nobody, not even to Webster—in fact, there wasn't no money to be made there; it took everything that the machines took in due to the fact that we did have sorry locations. It took everything the machines took in to pay the overhead there, and the Federal and State licenses, which are collected.

Mr. RICE. What do you mean, "overhead"?

Mr. MOITY. Well, I mean by that—

Mr. RICE. Do you mean protection?

Mr. MOITY. I mean by that truck expenses, the protection, as Mayor Morrison called it—the association.

Mr. RICE. All right, sir. Then it was a losing proposition as far as Webster was concerned; is that right?

Mr. MOITY. Yes, sir.

Mr. RICE. What happened?

Mr. MOITY. At that particular time, I bought some machines of my own.

Mr. RICE. Did you separate from Webster?

Mr. MOITY. Yes, sir. Webster demanded my machines when I refused to pay—I wasn't paying the shake-down and things began to get hot. He pulled his machines out.

Mr. RICE. What became of him?

Mr. MOITY. He went back to Mariana, Fla.

Mr. RICE. Now, you get into business on your own; is that right?

Mr. MOITY. Yes, sir.

Mr. RICE. Where did you get your machines?

Mr. MOITY. I bought my machines, most of them, from Southern Coin Machine Exchange on the Jefferson Highway in the city of New Orleans.

Mr. RICE. Is that in the city or in the parish?

Mr. MOITY. That's in Jefferson Parish.

Mr. RICE. With whom did you do business there?

Mr. MOITY. I done business with Jimmy Kail, who is part owner of the Southern Coin Machine.

Mr. RICE. Whose company is that, if you know?

Mr. MOITY. That company, to the best of my knowledge, belongs to Jimmy Kail and L. E. Monger, who have that business there in a partnership.

Mr. RICE. Have you ever heard the name of Carlos Marcello mentioned with that company?

Mr. MOITY. I have heard the name of Carlos Marcello mentioned. However, I have no knowledge or proof that he has any connection with that. I haven't heard it mentioned in connection. I have heard that Carlos Marcello had something to do with another coin machine establishment that I did buy juke boxes from, which is the Dixie Coin Machine.

Mr. RICE. I see. Then you also bought some juke boxes, you say?

Mr. MOITY. Yes, sir; from the Dixie Coin Machine here in the city of New Orleans.

Mr. RICE. With whom did you do business there?

Mr. MOITY. I done business there with Mr. Ed. Holifield.

Mr. RICE. You understood that was Mr. Carlos Marcello's?

Mr. MOITY. No, sir; I understood that belonged to Johnny Bertucci who had some business with Mr. Marcello.

Mr. RICE. How many machines did you get there?

Mr. MOITY. All together I had approximately 40.

Mr. RICE. And you operated those down in New Iberia?

Mr. MOITY. In Iberia Parish and surroundings.

Mr. RICE. During the time you operated those, was it necessary for you to pay protection?

Mr. MOITY. It was necessary but I didn't pay it.

Mr. RICE. What happened?

Mr. MOITY. Well, they went to my locations and they threatened my locations, which caused me to lose some locations, and for a while kept me out of New Iberia—kept my machines out, rather, of New Iberia altogether, because the locations were afraid.

Mr. RICE. Now, then, when you say "they" threatened you—tell us about how many and what they said and what they did. We are interested in that.

Mr. MOITY. Well, they had called up on the telephone.

Mr. RICE. Who is "they"?

Mr. MOITY. They would not give any names. The only name that I was able to get was because I tricked him into it—I recognized his voice—was Deputy Sheriff Charley Reed.

Mr. RICE. Yes. What did he say?

Mr. MOITY. He commenced by telling me what I had to do and what I didn't have to do and he went to cussing me, for just about everything in the book and part that the type won't take, and—

Mr. RICE. What was his general theme? What was he telling you besides cussing you?

Mr. MOITY. He was telling me I had better get along, I had better close my trap and get out of the way or come up with the cash.

Mr. RICE. Did he say anything about the machines?

Mr. MOITY. Yes, sir.

Mr. RICE. What did he say?

Mr. MOITY. He said I had better either pay him a shake-down or get out of the racket.

Mr. RICE. All right, sir. What happened next?

Mr. MOITY. Well, I went to laughing and joking with him and I called his name out and finally got him to admit that it was him. But then he started laughing and joking and telling me how he was kidding with me.

Mr. RICE. I see.

Mr. MOITY. Because I did tell him, however, that that was being recorded, because I had received threats all that day, and, by the way, that was the day after I had made a radio talk over radio station KROF.

Mr. RICE. Without going into that, following up those stories, did anybody ever take a shot at you?

Mr. MOITY. Yes, sir; I was shot at coming back from St. Martinsville, going to New Iberia.

Mr. RICE. About when was that?

Mr. MOITY. That was about 3 days prior to the statement I have just made.

Mr. RICE. Were you alone?

Mr. MOITY. Yes, sir.

Mr. RICE. Driving?

Mr. MOITY. Yes, sir; I was driving back from Opelousas.

Mr. RICE. Did the bullet hit the car?

Mr. MOITY. Well, sir, it barely missed the automobile, but I stepped on the gas when it did.

Mr. RICE. Did you know where it came from?

Mr. MOITY. It came from up on a hill just below a curve out of New Iberia, just on this side of the boundary line from St. Martin Parish.

Mr. RICE. Do you know whether it was a rifle shot, revolver, shotgun?

Mr. MOITY. No, sir; it was a rifle shot.

Mr. RICE. Did anyone have reason to know you were traveling that road?

Mr. MOITY. They just about know all the time when I am traveling it.

Mr. RICE. Why?

Mr. MOITY. I don't know, but they make it their business.

Mr. RICE. Are you still in the business?

Mr. MOITY. Yes, sir; I am still in the business. I tried to sell it about—right after I made that trip to Washington. I tried to sell it because it had served its purpose. I went to sell it to a man named J. G. Lovelady.

Mr. RICE. Yes, sir. Where did you find him?

Mr. MOITY. He is in Tampa, Fla.

Mr. RICE. How did you get in touch with Lovelady?

Mr. MOITY. Through an ad in the Billboard.

Mr. RICE. Who put the ad in the Billboard?

Mr. MOITY. I put the ad in the Billboard to get rid of the slot machines to try to get my money back.

Mr. RICE. All right, sir, what happened in response to the ad?

Mr. MOITY. Well, J. G. Lovelady from Miami, by the way, instead of Tampa.

Mr. RICE. Miami. Yes.

Mr. MOITY. Lovelady got ahold of me, wrote to me first, and got ahold of me over the telephone, and I invited him down here and he came, rode over the set-up with me, and gave me a \$750 cash deposit on the machines.

Mr. RICE. How many?

Mr. MOITY. To the best of my recollection, all 40 of them. Some of them were a little beat up by then.

Mr. RICE. What was the total deal?

Mr. MOITY. \$16,000.

Mr. RICE. Where was he going to take the machines? What did he tell you?

Mr. MOITY. He was going either to operate them there or take them away, all depending on what he saw fit.

Mr. RICE. What do you mean "operate them there," New Iberia?

Mr. MOITY. In Iberia Parish.

Mr. RICE. I see.

Mr. MOITY. But when I started disagreeing with the sheriff and the marshal and the pay-off man, Mr. Amar Rodrigue, then they began to let me know that that deal ain't going to go through.

Mr. RICE. How did they let you know that?

Mr. MOITY. By calling me up on the telephone.

Mr. RICE. What did they say?

Mr. MOITY. Amar Rodrigue told me personally.

Mr. RICE. What did they say?

Mr. MOITY. They were going to get hold of Lovelady and stop it, which they did.

Mr. RICE. What reason did they give you for wanting to do that?

Mr. MOITY. One, because I wasn't paying off to them. I decided I wasn't going to pay off, to them.

Mr. RICE. If they wanted you out of business, this was an opportunity to get you out of business. Why wasn't that all right with them?

Mr. MOITY. Because evidently the heat was on just a little bit too much at the time; and, from the best I could understand, Mr. Lovelady wouldn't come up like he should.

Mr. RICE. He didn't make the necessary arrangements with them?

Mr. MOITY. Yes, sir; you know that association we are talking about. The joining fee wasn't enough.

Mr. RICE. All right. Now, I take it that deal didn't take place, wasn't consummated?

Mr. MOITY. No, sir. I have a suit against Mr. Lovelady at this time where I will have to—where it will be tried in Miami, Fla., where I am supposed to go down to Miami to answer to a suit where I sued him through an attorney there at Miami.

Mr. RICE. All right, sir. These machines are still here in Louisiana?

Mr. MOITY. Yes, sir. Those machines are still in Louisiana.

Mr. RICE. Are they nickel machines?

Mr. MOITY. Well, some of them are nickel machines; some of them are quarter machines.

Mr. RICE. Do they pay off in cash?

Mr. MOITY. Yes, sir; they pay off in cash money.

Mr. RICE. Are they in public places?

Mr. MOITY. Yes, sir; they are.

Mr. RICE. All of them in different places?

Mr. MOITY. Some of them are in my warehouse, and some of them are out on location.

Mr. RICE. How many do you have out on location?

Mr. MOITY. I have approximately 25 out on location, to date.

Mr. RICE. Is that against the law?

Mr. MOITY. Yes sir; it is.

Mr. RICE. Do you have any questions?

The CHAIRMAN. How about this association you are talking about? Is that the same association Mayor Morrison was talking about this morning?

Mr. MOITY. Well, sir, it is a similar association but the only thing, the fees don't go to the same place.

The CHAIRMAN. What is the name of the association you are talking about?

Mr. MOITY. The Ozenne-LaBauve Association. I mean it goes in their pockets.

The CHAIRMAN. Oh, yes.

Mr. MOITY. In other words, if they don't come up there—oh, by the way, something else while I am doing this. Rodrigue is supposed to put me out of circulation if I made this trip anyway, so I might just as well do it right.

The CHAIRMAN. How do you know they are supposed to put you out of circulation?

Mr. MOITY. Just before I left, sir, they called me on the telephone.

The CHAIRMAN. Before you left where?

Mr. MOITY. New Iberia to come down here.

The CHAIRMAN. Somebody called you on the telephone. Do you know who it was?

Mr. MOITY. No, sir. After they told me that they cussed me out good and they hung up.

The CHAIRMAN. What did somebody say on the telephone?

Mr. MOITY. You want me to tell you, sir?

The CHAIRMAN. Don't use any profanity, but the substance of what they said.

Mr. MOITY. They told me if I made this trip it would be my last trip.

The CHAIRMAN. Did they sound like they meant it?

Mr. MOITY. Yes, sir; they did.

The CHAIRMAN. That has happened to you before; hasn't it?

Mr. MOITY. Yes, sir; it has. And they have let me know that the next time they won't miss.

The CHAIRMAN. Are you scared?

Mr. MOITY. No, sir; not at all. I believe that, if it takes that to clean up, I am willing to die for it, and I am sincere.

The CHAIRMAN. What makes you think it is so bad?

Mr. MOITY. Because I know it has involved killings. That is why you can't have decent government. I don't mean by that I am strictly a reformer, because I am not. I mean that it controls elections. Those boys contribute—they put up that cash to go out there and buy the poor fellows that don't understand how they should vote and why.

The CHAIRMAN. Well, that is what a lot of us have been thinking about for a long time. Was there a reaction after you went up to Washington? You came up, and came to see our committee and gave Mr. Robinson a statement, and Mr. Kiley. We never heard of you before. Did they find out about your having been to Washington?

Mr. MOITY. Yes, sir.

The CHAIRMAN. What happened?

Mr. MOITY. Well, it was told to me that with the political set-up they had that they could take care of everything in Washington; that I was just barking up the wrong tree.

The CHAIRMAN. All right. The thing is now, you got into this in order to find out how it operated and get the first-hand evidence. Is that it?

Mr. MOITY. Yes, sir; that is exactly it. I was enjoying a nice real-estate and insurance business, but this friend of mine, however, he had the misfortune of getting in an automobile accident and getting killed. He had a department store there in New Iberia and I couldn't understand—in fact, I just didn't believe it, because I supported the sheriff myself. I didn't think that he was accepting that shake-down until they cornered me and wanted that cash. Then I knew it wasn't no more joke, then.

The CHAIRMAN. Well, what are you going to do about it? What are you going to do, put them out of business? Have you appeared before a grand jury?

Mr. MOITY. Well, sir, the citizens of Iberia Parish went before the grand jury and prosecuted the locations and the operators for operating slot machines, but the grand jury, or should I go so far as to say the foreman of the grand jury, who was playing the slot machine 3 days before, himself, found no true bill against the machine locations. And, frankly speaking, it takes a Philadelphia lawyer to get them to take a charge against gambling operations; and not only gambling, you've got prostitution there on a wholesale scale, you've got dope, and other things that I haven't got proof on, that I just can't mention at this time.

The CHAIRMAN. Well, let's just talk about what you have proof on. You have got proof on this other.

All right. Let's get to something else,

Mr. RICE. On these machines that you had, do you know the names of them, where they were manufactured?

Mr. MOITY. The machines I bought, myself, were made up here in New Orleans. They were not new machines. I could not afford them.

Mr. RICE. Rebuilt machines?

Mr. MOITY. Yes, sir; they were rebuilt machines, rebuilt by the Southern Coin.

The CHAIRMAN. Are they Jennings or Mills, or—

Mr. MOITY. Most of them were Mills.

The CHAIRMAN. They are made in Chicago; aren't they?

Mr. MOITY. Yes, sir; Mills Manufacturing Co. is in Chicago, but it's been a long time since those machines saw Chicago.

The CHAIRMAN. All right, Mr. Moity. Good luck to you.

Mr. MOITY. As I stated before, I hope there is something that the committee can do that will get the law-enforcement bodies of the Parish of Iberia to enforce the laws as they should be enforced, or resign.

The CHAIRMAN. Well, I will just say this: How large is Iberia?

Mr. MOITY. There are 25,000 people.

The CHAIRMAN. You mean that is the city, the town?

Mr. MOITY. Yes, sir.

The CHAIRMAN. And the county, how many people are in the county?

Mr. MOITY. There are about 40,000, I'd say.

The CHAIRMAN. Outside of the city?

Mr. MOITY. Yes, sir.

The CHAIRMAN. Well, if more people in the public would stand up and be counted and felt about it, that it is a bad thing, and would demand protection, of course it would be done. I still, in my heart, have an abiding belief that the great majority of people in every county really don't like that sort of thing. If they can just get together about it. So maybe they will.

Mr. MOITY. Yes, sir. The trouble with most of them are, a lot of people have families there and they realize the chance a man takes when he does what I am doing, and a lot of them have got to make their living right there, and when they find out that a body cannot help them legally, or put a stop to it, they are even scared to say anything. In fact, they even have had some of the clergymen scared.

The CHAIRMAN. But the clergymen are not scared now; are they?

Mr. MOITY. No, sir. If they were subpoenaed, they'd come forth and bring out just what I am saying, I think, almost exactly there as I have said it.

The CHAIRMAN. All right, we certainly do appreciate your coming to Washington and telling us about it and having the courage to come here today and give this committee this information.

Mr. MOITY. Thank you, sir.

#### TESTIMONY OF J. E. REGAN, NEW ORLEANS, LA., REPRESENTATIVE OF WESTERN UNION

The CHAIRMAN. Mr. Regan, you do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. REGAN. I do.

Mr. RICE. Mr. Regan, you are appearing here in response to a subpoena directed to Western Union?

Mr. REGAN. Yes, sir.

Mr. RICE. In the absence of Mr. Jackson, the manager here. Is that correct?

Mr. REGAN. Yes, sir.

Mr. RICE. All right, sir. Now, then, your company was called upon to produce certain records. Is that right?

Mr. REGAN. Yes, sir.

Mr. RICE. Now, I wonder if you could enlighten us a little bit. Tell us about types of equipment that are furnished to these wire-service organizations, making a distinction between an 8-A ticker and a Morse key, and the equipment and unequipped lines.

Mr. REGAN. I see.

Mr. RICE. What is an 8-A ticker?

Mr. REGAN. That is a regular ticker that is used in quoting all commodities. For example, the sugar quotations are quoted over it as well as coffee.

Mr. RICE. That is the thing that operates like a typewriter?

Mr. REGAN. That is correct.

Mr. RICE. And it comes out on a tape?

Mr. REGAN. Yes, sir. They are used in baseball, New York stocks, cotton ticker, Chicago grain.

Mr. RICE. So that anything that is typed on one machine starts a circuit, an impulse through the wire, to a similar receiving machine and it comes out printed. Is that right?

Mr. REGAN. That is correct.

Mr. RICE. Now, then, you also have Morse circuits; do you not?

Mr. REGAN. Yes, sir.

Mr. RICE. That is activated by a key transmitter?

Mr. REGAN. Yes, sir.

Mr. RICE. It goes over the wire and is received by another key and transcribed by an operator who is expert in receiving such a signal?

Mr. REGAN. Yes, sir.

Mr. RICE. Now, sir, can you tell us what is an equipped and what is an unequipped line?

Mr. REGAN. Well, an equipped line would be where Morse facilities are attached. In other words, a transmission set and a receiving set.

Mr. RICE. Well, it could have either an 8-A or a Morse on the other end; is that correct?

Mr. REGAN. Yes, sir.

Mr. RICE. It is fully set up and ready to operate?

Mr. REGAN. Yes, sir.

Mr. RICE. Now, then, an unequipped line is what?

Mr. REGAN. Just the wires themselves.

Mr. RICE. A wire with an ending some place?

Mr. REGAN. Terminating.

Mr. RICE. Does that have electricity in this wire?

Mr. REGAN. Yes, sir; it is live.

Mr. RICE. And suppose on this unequipped wire, someone were to attach an instrument? Even though you say it is unequipped, it would operate, would it not?

Mr. REGAN. Yes, sir.



Mr. RICE. Now, then, Western Union supplies these 8-A tickers and the Morse receivers. Is that right?

Mr. REGAN. We supply the 8-A ticker and the Morse sets.

Mr. RICE. That's right. Now, sir, can you tell us from the records you have brought what service is being brought into the New Orleans area from Continental Press in Chicago?

The CHAIRMAN. Or Illinois News Service; wherever it comes from?

Mr. REGAN. Well, at this time, there are three terminal points for Continental Press in the New Orleans area.

Mr. RICE. Yes, sir. Where are they located?

Mr. REGAN. One is at 424 Camp Street.

Mr. RICE. 424 Camp?

Mr. REGAN. In New Orleans.

Mr. RICE. Who is the lessee or the receiver on that drop?

Mr. REGAN. I don't have that name, sir.

Mr. RICE. That's at 424 Camp?

Mr. REGAN. Yes, sir.

Mr. RICE. All right.

Mr. REGAN. Another one at 117 Huey P. Long Avenue, in Gretna.

Mr. RICE. Now, there is another direct line from Continental to 117 Huey P. Long Avenue, in Gretna?

Mr. REGAN. Yes, sir.

Mr. RICE. Do you know who is the receiver of that?

Mr. REGAN. No, sir; we have no names.

Mr. RICE. Do you have a third?

Mr. REGAN. The third at 1648 Gentilly Road.

Mr. RICE. Where is that?

Mr. REGAN. 1648 Gentilly Road, here in New Orleans.

Mr. RICE. Is that in the city or in the parish?

Mr. REGAN. No, sir; that is within the city limits.

Mr. RICE. I see. And approximately where is that?

Mr. REGAN. Well, that is in the vicinity of the Fair Grounds, out on Gentilly Highway.

Mr. RICE. Right near the Fair Grounds race track?

Mr. REGAN. Yes, sir.

Mr. RICE. I see. Do you know what type of building that is located in?

Mr. REGAN. No, sir; I am not familiar with that.

Mr. RICE. Do you know of any reason for having a ticker out there near the Fair Grounds?

Mr. REGAN. Well, it is close to the track, and I suppose to get the result as quickly as possible.

Mr. RICE. Would it be a fair assumption to say that that location is in a position where possibly the race results can be seen and quickly communicated to Chicago from without the track?

Mr. REGAN. That appears to be correct.

Mr. RICE. Now, from your records, or from your knowledge there, do you know whether that place leases or has service during the time that the horses are not running at the Fair Grounds?

Mr. REGAN. No, sir; that place is in operation only during the Fair Grounds meet.

Mr. RICE. So that during the time that the horses are running that activity there takes place?

Mr. REGAN. The wires are set.

Mr. RICE. Now, then, do you service an outfit known as the Daily Sports News?

Mr. REGAN. Yes, sir.

Mr. RICE. Who is the person that you do business with at the Daily Sports News?

Mr. REGAN. Mr. Fogarty.

Mr. RICE. Which Mr. Fogarty is that?

Mr. REGAN. J. E. usually signs the contract.

Mr. RICE. J. E. usually signs. Who is the other Fogarty?

Mr. REGAN. Mr. John J. Fogarty.

Mr. RICE. Now, sir, I show you a telegram received from you in response to the subpoena, which I will read, in part. Do you recognize that [handing document to witness]?

Mr. REGAN. Yes, sir; this is our telegram.

Mr. RICE. Read that.

Mr. REGAN. This part?

Mr. RICE. Yes.

Mr. REGAN (reading):

The applications for the leased circuits of the Daily Sports News are signed by J. E. Fogarty and in some cases J. J. Fogarty.

Mr. RICE. Yes, sir. That is an official communication you received from your headquarters?

Mr. REGAN. Yes, sir; in New York City.

(The document was marked "Exhibit No. 8," and appears in the appendix on p. 428.)

Mr. RICE. All right, sir.

Now, I am about to show you a bill. Does that cover this bill? Does that apply to the applications for which this bill was rendered [handing document to witness]?

Mr. REGAN. Yes, sir.

Mr. RICE. Now, sir, what do those bills show?

Mr. REGAN. Well, it shows what service is furnished and the places where.

Mr. RICE. Go ahead.

Mr. REGAN. Shall I read it?

Mr. RICE. Generally, what does it show?

Mr. REGAN. For example, there is Alexandria, La., a bill for \$10 for the period November 11, 1950, to November 30, 1950; and there is an item billed from Eunice, La., 55 miles—

Mr. RICE. Before you go any further, what does that mean? Who is being billed for what?

Mr. REGAN. Well, the Daily Sports News is being billed by the telegraph service for the private wire that is made available to them at Alexandria.

Mr. RICE. This wire goes from where to where? Well, you started with Continental. Doesn't Daily Sports News receive—isn't it a drop-off of Continental?

Mr. REGAN. I am not qualified to answer that, sir.

Mr. RICE. Well, you have just testified that the 117 Huey P. Long address received service from Continental, did you not?

Mr. REGAN. That is a Continental lease.

Mr. RICE. Yes; and doesn't that go to Daily Sports?

Mr. REGAN. Well, that is on a circuit between—in other words, you want to know if this Alexandria is on the same circuit?

Mr. RICE. No; my question is this: Isn't Daily Sports a receiver of information or a receiver of service from Continental over Western Union wires?

Mr. REGAN. I would say——

Mr. RICE. What is the address of Daily Sports News? Where do you bill them?

Mr. REGAN. We have it 507 Balter Building, 424 Camp Street, which is one of the addresses here. Yes; I follow you now.

Mr. RICE. Yes, sir. Now in turn these addresses are serviced, so far as you know, by Daily Sports? Is that correct?

Mr. REGAN. These on the bill? Yes, sir.

Mr. RICE. All right, sir. Now what to they pay?

The CHAIRMAN. Have we got the addresses on the bill in or are you going to put them in as an exhibit, or what?

Mr. RICE. Yes; we will put them in as an exhibit. We will put them in, in toto.

The CHAIRMAN. Let them be put in as an exhibit.

(The document was marked "Exhibit No. 9" and appears in the appendix on p. 428.)

Mr. RICE. What do they pay on some of those?

Mr. REGAN. Well, for example, the service to Alexandria is billed to the Daily Sports News for \$10.

Mr. RICE. Does that indicate an equipped or unequipped drop?

Mr. REGAN. This would appear to be a private wire, service rental, which is just a leased line, unequipped, in other words.

Mr. RICE. What are some of the other locations, by cities where that service——

Mr. REGAN. They are alphabetically arranged here: Alexandria, La.; Baton Rouge, La.; Bay St. Louis, Miss.; Biloxi, Miss.; Delta Point, La.; Eunice, La. Do you want any more of them?

Mr. RICE. I see. Approximately how many are there, all told?

Mr. REGAN. I would have to count them.

Mr. RICE. Approximately; you can look at them. Sixty?

Aren't they totaled at the end?

Mr. REGAN. Yes, they are totaled.

Mr. RICE. How many?

Mr. REGAN. That would be the amount of the bill. Is that what you want?

Mr. KLEIN. No; the number of locations.

The CHAIRMAN. Let's speak up and get the witness' testimony in the record.

Mr. REGAN. Sixty-six.

Mr. RICE. What is the date of that bill, Mr. Regan?

Mr. REGAN. This is dated New York, December 1, 1950.

Mr. RICE. Now, then, why is that billed from New York rather than locally?

Mr. REGAN. All of the leased-wires contracts are made at New York.

Mr. RICE. At New York?

Mr. REGAN. Yes, sir.

The CHAIRMAN. Let me see that [document handed to chairman].

Mr. RICE. Now, sir, are all of them billed from New York?

Mr. REGAN. Yes, sir.

Mr. RICE. Is that true with respect to the wires that are leased to newspapers?

Mr. REGAN. I don't think we have any newspaper leases, that is Associated Press, but we would bill the Associated Press from New York.

Mr. RICE. Well, now, I show you another paper and ask you if that helps you any on that question [document handed to witness].

Mr. REGAN. This was billed from the general manager's office over in Dallas, Tex.

Mr. RICE. From Dallas?

Mr. REGAN. Yes, sir.

Mr. RICE. What are those bills for?

Mr. REGAN. Well, this is a bill made to the Daily Sports News at 117 Huey P. Long Avenue.

Mr. RICE. A bill for what?

Mr. REGAN. One single circuit.

Mr. RICE. Yes.

Mr. REGAN. Intracity for continuous operation; local: with the city.

Mr. RICE. Well, now, why is it that newspapers, or that type of service, is billed from Dallas, whereas all of these other types of services are billed from New York?

Mr. REGAN. Well, as I say, we don't have any leases from the newspapers, sir.

Mr. RICE. They serve Daily Sports, but that part is billed out of Dallas, and part of it is billed out of New York. Is that right?

Mr. REGAN. Yes, sir.

Mr. RICE. All right, sir. Is there any unequipped circuit connecting with Daily Sports in Pass Christian, Miss.?

Mr. REGAN. The Senator has the bill.

The CHAIRMAN. It is right here.

Mr. REGAN. Pass Christian. There is an item on this bill for \$65.99 covering service to Pass Christian, Miss., from Bay St. Louis, Miss., transmitter at 241 Davis Avenue, Davis Avenue and Twenty-second Street, and that is M. R. Jackson, Davis Avenue and Twenty-second Street, and Vic Austin, Second and Market Streets, for period November 3, 1950, to November 30, 1950.

Mr. RICE. Now, does that circuit on that connect with the Balter Building operation?

Mr. REGAN. Not to my knowledge.

Mr. RICE. I show you another document, and call your attention to the note at the bottom and see if that refreshes your recollection [handing document to witness]?

Mr. REGAN. There is a statement on here that says this circuit connects 507 Balter Building, New Orleans, La., with 241 Davis Avenue, Pass Christian.

Mr. RICE. As of what date?

Mr. REGAN. That is as of January 3, 1949, billed from New York.

Mr. RICE. Now, sir; I might state, for the record, that is as the paper was received. The note was there when we received it.

Mr. REGAN. I see. Well, as I say, I have no knowledge of it. I am substituting for Mr. Jackson.

Mr. RICE. What type of service is that that goes to Pass Christian?

Mr. REGAN. (Examining document.)

Mr. RICE. I think you will find it on the last page.

Mr. REGAN. That is an intercity, unequipped circuit.

Mr. RICE. That is an unequipped circuit. How much did they pay for that?

Mr. REGAN. \$186 a month.

Mr. RICE. Can you conceive of any reason why anyone should pay for that service on an unequipped basis?

Mr. REGAN (laughs). I wouldn't know, sir; truthfully.

Mr. RICE. You wouldn't know.

Now, sir: that list that has been submitted, is that current, the exhibit? Is that the current list?

The CHAIRMAN. Let's get these made exhibits so we can have some order in the testimony. Make this one exhibit No. 10, the bill.

(The document was marked "Exhibit No. 10" and appears in the appendix on p. 433.)

Mr. RICE. I wonder if you can find there if the Louisiana News Co., has any connection with the Daily Sports?

Mr. REGAN (examining documents). These bills are made to the Daily Sports.

Mr. RICE. Those bills are made to Daily Sports?

Mr. REGAN. Yes, sir.

Mr. RICE. Does Louisiana News show as a drop from the Daily Sports on that?

Mr. REGAN. I don't follow your question, please, sir.

Mr. RICE. Well, sir, those addresses show the customers of Daily Sports, do they not?

Mr. REGAN. Yes, sir.

Mr. RICE. All right. Now, among those customers do you find a Louisiana News Co.? In New Orleans; in the city.

Mr. REGAN. No, sir; it is not listed here.

Mr. RICE. We will give you the address of that in a moment. In the meantime, I will ask you this further question.

We also asked you in the subpoena for information as to any service furnished to the Southern News & Publishing Co., in 1946. I show you a telegram submitted in response to that and ask you to identify that as an official document from your company and read it into the record.

Mr. REGAN. Telegram from New York City, N. Y.

Mr. RICE. Is that a communication received in the course of your business?

Mr. REGAN. Yes, sir.

Mr. RICE. All right, sir. What date was that?

Mr. REGAN. January 19, 1951, addressed to Jackson, who is superintendent at New Orleans:

Your message date although copies of bills no longer available, our records show we did lease an SA ticker to the Southern News Service & Publishing Co. from August 12, 1946, to January 6, 1947, inclusive, serving following drops: John Dackmack, 236 Third Street, Baton Rouge, La., from August 12, 1946, to November 29, 1946. Southern News Service & Publishing Co. from—

The CHAIRMAN. A little louder, sir; I am afraid they can't hear.

Mr. RICE. I wonder if it would help if I read it?

Mr. REGAN. If you care.

Mr. RICE (reading):

Southern News Service & Publishing Co. from December 21, 1946 to January 6, 1947. Transmitter located at 204 Liberty Building, New Orleans, La., from August 12, 1946, to October 16, 1946. Moved to 480 Destrahan Street, Harvey,

La., on October 17, 1946. Moved to 117 Huey P. Long Avenue, Gretna, La., on December 13, 1946. Discontinued from latter address January 6, 1947.

Mr. RICE. Now, sir, I wonder if you are able to tell us with whom Western Union did business with the Southern News & Publishing Co.; what individual represented that company?

Mr. REGAN. That was Mr. John Poretto.

Mr. RICE. That was Mr. John Poretto?

Mr. REGAN. Yes, sir.

Mr. RICE. How do you know that was it, Joe Poretto?

Mr. REGAN. Joe; yes.

Mr. RICE. How do you know that?

Mr. REGAN. It's several years back. Well, I had contracts signed over there.

Mr. RICE. You handled contracts signed by Poretto?

Mr. REGAN. Yes.

Mr. RICE. Now, sir, what was the nature of Poretto's business?

Mr. REGAN. Well, the dissemination of race-horse news.

Mr. RICE. Now, sir, he disseminated race-horse news?

Mr. REGAN. Yes, sir.

Mr. RICE. Now, at the same time was the Daily Sports News in operation?

Mr. REGAN. Yes.

Mr. RICE. So that apparently for a short time the Southern News Publishing Co. was in competition, shall we say, with the Daily Sports News?

Mr. REGAN. Yes, sir.

Mr. RICE. All right; now, what happened to Mr. Poretto's operation?

Mr. REGAN. That, I would be unable to say, sir. The records here show that the service that was furnished to the Southern News Service & Publishing Co. from August 12, 1946, was discontinued January 6, 1947.

Mr. RICE. We will offer this as an exhibit.

The CHAIRMAN. That will be exhibit No. 11.

(The document was marked "Exhibit No. 11" and appears in the appendix on p. 436.)

Mr. RICE. Notwithstanding the fact that the wire shows that the service of Southern News Publishing was discontinued at the Huey P. Long address there is still some type of service being furnished there without interruption? Is that correct?

Mr. REGAN. At 117, Huey P. Long; yes, sir.

The CHAIRMAN. Just to orient the matter, Mr. Rice, is that the Trans-America that began at a certain time and got discontinued?

Mr. RICE. I wonder if the witness knows where the Southern News Publishing Co. was receiving service from?

Mr. REGAN. To the best of my knowledge, at that New Orleans address in the Liberty Building.

Mr. RICE. Yes, sir. Now where was that coming from when it went into the Liberty Building? Was it coming from New York or Chicago?

Mr. REGAN. That I don't know. I'd have to have my records.

Mr. RICE. It was receiving some service?

Mr. REGAN. Yes, sir.

Mr. RICE. Was that from a Continental or from Trans-America?

Mr. REGAN. I don't know the connections.

Mr. RICE. Have you ever heard of Trans-America?

Mr. REGAN. Yes, sir.

Mr. RICE. Is it possible it was received from Trans-America?

Mr. REGAN. I would be unable to say.

Mr. RICE. Would you be able to tell from your company records whether it was or not?

Mr. REGAN. The contract should show that information, where it originates and where it terminates.

Mr. RICE. That contract in existence?

Mr. REGAN. Not locally.

Mr. RICE. Not locally, where would that be?

Mr. REGAN. Either in the Dallas office or the New York office. Dallas is our divisional headquarters for this division.

Mr. RICE. All right, sir.

The CHAIRMAN. Mr. Rice, will you try to sum up and let's get the number of different types of wire service coming into this section and into New Orleans. Do I understand you have three lines from Continental, or how many from Continental?

Mr. REGAN. Three terminal points.

The CHAIRMAN. What is a terminal point?

Mr. REGAN. That is the different places where they operate from the main line.

The CHAIRMAN. And name those three terminal points again.

Mr. REGAN. Yes, sir. At 424 Camp Street.

The CHAIRMAN. Now just a minute, 424 Camp Street.

Mr. REGAN. In New Orleans.

Mr. CHAIRMAN. What is that, Mr. Rice?

Mr. RICE. That's the Daily Sports News Publishing?

The CHAIRMAN. That is Daily Sports News Publishing House. We will bring that out in the evidence. That is Camp Street. What else?

Mr. REGAN. 117 Huey P. Long Avenue, Gretna.

The CHAIRMAN. What is that?

Mr. RICE. That's again the Daily Sports News Publishing House.

Mr. REGAN. And at 1648 Gentilly Road here in the city.

The CHAIRMAN. Do you know what that is?

Mr. RICE. You don't know who that is, do you?

Mr. REGAN. No, sir; I don't.

The CHAIRMAN. Gentilly Road. Is that an active terminal point now?

Mr. REGAN. Yes, sir.

The CHAIRMAN. Then from these terminal points you have a fan-out into Mississippi and other parts of Louisiana, as shown by these exhibits. Is that correct?

Mr. REGAN. Yes, sir.

The CHAIRMAN. I notice one of the fan-outs has a lot of places in the city of New Orleans listed on it.

Mr. REGAN. If there is any question I'd be glad to answer it.

The CHAIRMAN. Does it?

Mr. REGAN. Yes; it does.

The CHAIRMAN. Are those inactive wires or are they active wires? Do you know?

Mr. REGAN. To the best of my knowledge, they are inactive.

The CHAIRMAN. Do you know whether any of them are active or not?

Mr. REGAN. No, sir.

Mr. RICE. Well, it would be possible, shall we say, for Daily Sports News, who are in control of the wires, to be activating those wires and for an individual controlling that wire to be receiving service without the knowledge of Western Union? Would that be a fair statement?

Mr. REGAN. That is possible; yes, sir.

Now, if I may look at those bills—

The CHAIRMAN. I understand the bills for the three addresses you have given are sent from New York but the bills for AP, UP, and INS or newspapers are sent from Dallas, Tex.

Mr. REGAN. No, sir; we don't have any newspaper leases here, but if they are AP I know we service them, and that bill would be contracted in New York.

The CHAIRMAN. The Daily Sports News furnishes it to the newspapers? Is that correct?

Mr. REGAN. Senator, in that connection, if I may review the bills, it may be that the newspapers here are on the list and those would be active.

The CHAIRMAN. The bills are down there.

Mr. REGAN. Yes, sir; I have them [examining Regan Exhibit 2].

Mr. REGAN. I don't find it.

Mr. RICE. We have checked it; we know that they are.

With respect to the unequipped lines running into the city proper, into New Orleans itself, of which there are about 20, rent is being paid or money is being paid for those unequipped lines. Is that not correct?

Mr. REGAN. According to the statement here, they are being billed.

Mr. RICE. Yes. So that each and every month as the bills go along, someone is paying for these unequipped wires?

Mr. REGAN. Wait now, let's see if there are any listed here from New Orleans [examining Regan Exhibit 2].

It shows the address of the Daily Sports News at 424 Camp Street.

Mr. RICE. Yes.

Mr. REGAN. Gulf Stream Printers, at 540 Royal Street.

Mr. RICE. Yes. You are talking about the equipped circuit now; the unequipped circuits I am talking about.

Mr. REGAN. I see.

The CHAIRMAN. Well, I take it it is all in the records. We can digest those.

Mr. REGAN. Yes, sir; it is. I find them now, Senator.

The CHAIRMAN. All right; what is it?

Mr. REGAN. 507 Balter Building.

Mr. RICE. Yes.

Mr. REGAN. 517 Bienville Street.

Mr. RICE. Yes.

Mr. REGAN. 644 Camp Street.

Mr. RICE. Yes.

Mr. REGAN. 435 Carondelet Street.

Mr. RICE. Yes.

Mr. REGAN. 303 Beckbar Avenue.

Mr. RICE. Yes.

Mr. REGAN. 126 Exchange Alley.



Mr. RICE. Yes, sir.

Mr. REGAN. 130 Exchange Alley.

Mr. RICE. Yes, sir.

Mr. REGAN. 718 Front Street, Gretna.

Mr. RICE. That is not in the city?

Mr. REGAN. No. That is all then.

Mr. RICE. All right, sir.

Mr. REGAN. Here are some more. 620 Iberville Street, 738 Iberville Street, 739 Iberville Street, 120 Royal Street, 309 St. Charles Street, 631 St. Charles Street, 835 South Front Street, 501 South Rampart Street, 3019 Fortin Street, 123 University Place.

Mr. RICE. Now then, sir, as a Western Union man of many years standing, you can think of no reason why anyone should want to pay for these wires when they are unequipped, can you?

Mr. REGAN. No, sir.

Mr. RICE. All right, sir.

The CHAIRMAN. How much do these unequipped wires cost on an average there? Read some of the amounts.

Mr. REGAN (examining Regan Exhibit No. 9, p. 6). Well, here is one to Airline Highway, \$21 for a month. Then there are any number of them, 1378 Airline Highway, \$21; 2815 Airline Highway, \$21, and 3375 Airline Highway, \$21. Then there is 3383 Airline Highway, \$25; 2730 Airline Highway, \$25; 2734 Airline Highway, \$25; 3600 Airline Highway, well, that is over a period of 3 months, September 1, 1950, to December 31, 1950, \$100.

The CHAIRMAN. All right, we thank you very much, Mr. Regan.

Mr. REGAN. Thank you, Senator.

Mr. RICE. Before you leave the stand, let us enter into the record this wire which supports your testimony about Poretto.

The CHAIRMAN. Read the wire and call it exhibit No. 12.

Mr. REGAN. All right, sir. Telegram from New York City, January 25, 1951, addressed to Jackson, New Orleans:

Your message yesterday applications we have for Southern News & Publishing Co. dated August 22, 1946, November 7, 1946, and December 10, 1946, bear the signature "Joseph A. Poretto."

(The document was marked "Exhibit No. 12.")

The CHAIRMAN. All right; thank you very much.

Mr. REGAN. Thank you, Senator.

(Witness excused.)

#### TESTIMONY OF MAURICE I. ROUFA, NEW ORLEANS, LA., ACCOMPANIED BY GUS LEVY, ATTORNEY, NEW ORLEANS, LA.

The CHAIRMAN. You do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ROUFA. I do.

Mr. RICE. How long have you lived here, Mr. Roufa?

Mr. ROUFA. 2½ years.

Mr. RICE. 2½ years?

Mr. ROUFA. Yes, sir.

Mr. RICE. Where did you live before that?

Mr. ROUFA. St. Louis, Mo.

Mr. RICE. St. Louis, Mo. Now, are you a native of St. Louis?

Mr. ROUFA. Yes.

Mr. RICE. You lived there all your life prior to coming here?

Mr. ROUFA. Yes, sir.

Mr. RICE. What business were you engaged in in St. Louis?

Mr. ROUFA. Wholesale distribution of magazines and newspapers.

Mr. RICE. Magazine and newspaper distribution?

Mr. ROUFA. That's right.

Mr. RICE. Have you ever been arrested?

Mr. ROUFA. No, sir.

Mr. RICE. You have never been arrested?

Mr. ROUFA. Felony charge—not felony but for speeding.

Mr. RICE. Traffic offenses?

Mr. ROUFA. Traffic offenses only.

Mr. RICE. With whom were you associated in business in St. Louis?

Mr. ROUFA. Pierce Building News Co.

Mr. RICE. What was the name of that?

Mr. ROUFA. P-i-e-r-c-e.

Mr. RICE. Pierce Building News Co., and who were your associates in the Pierce Building News Co.?

Mr. ROUFA. William Molasky, partner.

Mr. RICE. William Molasky?

Mr. ROUFA. That is right.

Mr. RICE. What position did he hold?

Mr. ROUFA. One of the partners.

Mr. RICE. He was one of the partners. Were you a partner?

Mr. ROUFA. No, sir.

Mr. RICE. Who else?

Mr. ROUFA. Mrs. Molasky.

Mr. RICE. Mrs. Molasky?

Mr. ROUFA. Mrs. William Molasky. Jerome Molasky, a son, and Allen Molasky, another son.

Mr. RICE. Is that the same Molasky who was connected with the Pioneer News in St. Louis?

Mr. ROUFA. I understand he was, yes.

Mr. RICE. How long were you associated with them, the Molaskys?

Mr. ROUFA. About 15 years.

Mr. RICE. Did you see him nearly every day?

Mr. ROUFA. Yes.

Mr. RICE. You say you understood that he was connected with Pioneer News in St. Louis?

Mr. ROUFA. Yes.

Mr. RICE. Now, sir, what is the name of your operation here?

Mr. ROUFA. Louisiana News Co.

Mr. RICE. Louisiana News Co.?

Mr. ROUFA. Louisiana News Co.

Mr. RICE. When was that formed?

Mr. ROUFA. I think about 22 years ago.

Mr. RICE. About 22 years ago?

Mr. ROUFA. Yes.

Mr. RICE. Where is that located?

Mr. ROUFA. 1634 Clio Street.

Mr. RICE. Now, then, when you entered the Louisiana News Co., was there a sale?

Mr. ROUFA. No; I just came down as manager.

Mr. RICE. You just came as manager.

Did you have any ownership interest?

Mr. ROUFA. None at all.

Mr. RICE. No interest in the company at all?

Mr. ROUFA. No, sir.

Mr. RICE. What is the ownership of the company?

Mr. ROUFA. William Molasky.

Mr. RICE. Well, how long has he been interested in it?

Mr. ROUFA. Since 1928, I believe.

Mr. RICE. He's been interested in Louisiana News Co. since 1928?

Mr. ROUFA. That is a partnership.

Mr. RICE. And who are the other partners?

Mr. ROUFA. Mrs. William Molasky, Jerome Molasky, and Allen Molasky.

Mr. RICE. So the Louisiana News is owned in toto by the Molasky family?

Is that correct?

Mr. ROUFA. That is correct.

Mr. RICE. Your status is that of manager?

Mr. ROUFA. That's right.

Mr. RICE. How frequently does Mr. Molasky appear here in connection with the operation of the Louisiana News?

Mr. ROUFA. I'd say about once a year.

Mr. RICE. Did you recently move into a new building?

Mr. ROUFA. Yes.

Mr. RICE. When was that?

Mr. ROUFA. Last November; a year ago November.

Mr. RICE. Year ago November. That was in the nature of an expansion?

Mr. ROUFA. That's right.

Mr. RICE. What is the nature of the business?

Mr. ROUFA. Wholesale distribution of newspapers, magazines, racing periodicals.

Mr. RICE. Racing periodicals?

Mr. ROUFA. That's right.

Mr. RICE. What are some of the racing periodicals?

Mr. ROUFA. Daily racing forms. Numerous others.

Mr. RICE. What others?

Mr. ROUFA. Turf and Sport.

Mr. RICE. Turf and Sport?

Mr. ROUFA. Scratch sheet. Not the scratch sheet but what we call a line sheet.

Mr. RICE. Where do you get your racing news?

Mr. ROUFA. Racing news, we don't receive any racing news.

Mr. RICE. Do you not have a connection with Daily Sports?

Mr. ROUFA. No, sir.

Mr. RICE. Where does the news come from that you print in your paper?

Mr. ROUFA. We don't do any printing at all; we are just wholesale distributors.

Mr. RICE. Where are these periodicals printed?

Mr. ROUFA. Well there are some printed in the eastern part of the country, the racing form printed in Houston, Tex.

Mr. RICE. You have no daily scratch sheet?

Mr. ROUFA. No, sir.

Mr. RICE. Did you have a grand opening when you moved into your new place?

Mr. ROUFA. We had a grand opening in February.

Mr. RICE. Was Mr. Molasky down for that?

Mr. ROUFA. Yes, sir.

Mr. RICE. Now, do you have any business with the Beverly Country Club?

Mr. ROUFA. None.

Mr. RICE. Are you quite sure of that?

Mr. ROUFA. Yes, sir.

Mr. RICE. Beverly Club?

Mr. ROUFA. Yes, sir.

Mr. RICE. Phil Kastel?

Mr. ROUFA. Don't even know the gentlemen.

Mr. RICE. Never received any money from them?

Mr. ROUFA. No, sir.

Mr. RICE. Is it possible that your company could have received money from them without your knowledge?

Mr. ROUFA. I don't think it is possible.

The CHAIRMAN. Well, could it be possible for you to be selling them anything, racing information?

Mr. ROUFA. I don't know of anything that we sell them, sir.

Mr. RICE. You know Phil Kastel?

Mr. ROUFA. No, sir.

Mr. RICE. Do you know Frank Costello?

Mr. ROUFA. No, sir.

Mr. RICE. Do you know Taneco?

Mr. ROUFA. No, sir.

The CHAIRMAN. Let me get the matter straight. I thought that one of the addresses given by this Western Union man was the same address where your place is?

Mr. ROUFA. For what, sir?

The CHAIRMAN. For a drop.

Mr. LEVY. He gave an address on Gentilly Road which sounded similar to the address.

Mr. RICE. 1634 Clio.

Mr. ROUFA. We have no Western Union drop of any kind.

Mr. LEVY. The Western Union man gave an address, 1643 Gentilly Road, which may have confused you on this 1634 Clio.

Mr. RICE. In any event, you have no business relationship with Fogarty?

Mr. ROUFA. No.

Mr. RICE. Do you know Fogarty?

Mr. ROUFA. I have met the gentleman once.

The CHAIRMAN. All right. Anything else?

Are you related to Mr. Molasky?

Mr. ROUFA. Yes; through marriage.

The CHAIRMAN. His nephew?

Mr. ROUFA. Nephew through marriage.

The CHAIRMAN. Nephew through marriage?

Mr. ROUFA. That's right.

The CHAIRMAN. You have two brothers, I believe?

Mr. ROUFA. I have four brothers.

The CHAIRMAN. Two in the news-distributing business?

Mr. ROUFA. No; I have no brothers in the news-distributing business.

The CHAIRMAN. Aren't one of your brothers or two brothers connected with Molasky in some business?

Mr. MOUFA. A brother-in-law. One brother-in-law.

The CHAIRMAN. What is his name?

Mr. ROUFA. Morris Hoffman.

The CHAIRMAN. What does he do?

Mr. ROUFA. He works in the office in St. Louis.

The CHAIRMAN. In St. Louis.

I believe that is all. Stay just for a few minutes.

We will have about a 5-minute recess at this time.

Mr. LEVY. Are we finished now, sir?

The CHAIRMAN. Yes, but I want to check one thing. I may want to call you back right after the recess.

(Short recess.)

The CHAIRMAN. Mr. Roufa, you are not related to the Roufas in Kansas City?

Mr. ROUFA. There are no Roufas in Kansas City. I have a family in St. Louis. I don't know of anyone there.

Mr. LEVY. I believe Mr. Roufa can clarify the whole situation.

Mr. ROUFA. I have one brother a doctor, one a dentist, two of them are salesmen.

Mr. RICE. Did Mr. Molasky ever go to jail?

Mr. ROUFA. Yes.

Mr. RICE. What was that for?

The CHAIRMAN. The record shows that.

Mr. ROUFA. The record shows that; tax evasion.

Mr. RICE. Income-tax evasion.

The CHAIRMAN. Income-tax matters in 1938 or 1939.

Mr. ROUFA. Somewhere around there.

The CHAIRMAN. And you don't know Phil Kastel?

Mr. ROUFA. No, sir.

Thank you.

(Witness excused.)

The CHAIRMAN. Who is the next witness?

Mr. RICE. John J. Fogarty.

**TESTIMONY OF JOHN J. FOGARTY, NEW ORLEANS, LA., ACCOMPANIED BY WARREN O. COLEMAN, ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. You do solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FOGARTY. I do.

The CHAIRMAN. All right, Mr. Coleman.

Mr. COLEMAN. I would like to reserve the same thing that I reserved before. I would like to read this statement into the record. I demand an attendance of a legal quorum of this committee before proceeding further. Should it be here ruled that I am not entitled to this relief or that the member or members present now are sufficient to constitute a quorum to compel me to proceed, I do so under protest and reserve all of my rights in the premises.

The CHAIRMAN. All right, sir. Your statement is in the record, and duly noted.

Mr. COLEMAN. Yes, sir.

The CHAIRMAN. All right. Let's get to the point.

Mr. RICE. Now, your name is John J. Fogarty?

Mr. FOGARTY. Yes, sir.

Mr. RICE. How do you spell that, sir?

Mr. FOGARTY. F-o-g-a-r-t-y.

Mr. RICE. Where do you live, Mr. Fogarty?

Mr. FOGARTY. 3509 Nashville Avenue, New Orleans.

Mr. RICE. What is your business?

Mr. FOGARTY. I am owner of the Daily Sports News.

Mr. RICE. Now, sir, how long have you been in the sporting news business?

Mr. FOGARTY. Thirty-two years.

Mr. RICE. Thirty-two years. Did you know John J. Ragen, John Ragen, John M. Ragen?

The CHAIRMAN. James Ragen?

Mr. FOGARTY. I think you have the wrong name.

Mr. RICE. James Ragen, from Chicago.

Mr. FOGARTY. I know of Mr. Ragen, yes.

Mr. RICE. You know of him?

Mr. FOGARTY. Yes.

Mr. RICE. Were you ever in business with him?

Mr. FOGARTY. No, sir.

Mr. RICE. Do you know what business he was in?

Mr. FOGARTY. I think he was a newspaperman at one time. I think he was connected with—

Mr. RICE. Wasn't he connected with a wire service?

Mr. FOGARTY. That's right.

Mr. RICE. And weren't you connected with the wire service at the same time?

Mr. FOGARTY. I own the wire service here in New Orleans.

Mr. RICE. I am talking about in Chicago.

Mr. FOGARTY. No, sir.

Mr. RICE. Now, sir, was Mr. Ragen ever in business with you down here in New Orleans?

Mr. FOGARTY. No, sir.

Mr. RICE. Were you ever in the "run-down" sheet business?

Mr. FOGARTY. No, sir.

Mr. RICE. Mr. Ragen at one time made the statement that from 1939 to 1943 he was in the run-down sheet business in New Orleans, also Gulfstream. You had sort of an interest in the over-all picture.

Mr. FOGARTY. I know nothing of that.

Mr. RICE. When you knew him, did you know him to be down here at all?

Mr. FOGARTY. I don't know. I couldn't answer that.

Mr. RICE. Where did you know him?

Mr. FOGARTY. I couldn't answer that because I don't know.

Mr. RICE. Where did you know him?

Mr. FOGARTY. Mr. Ragen?

Mr. RICE. Yes.

Mr. FOGARTY. From Chicago.

Mr. RICE. Were you up there?

MR. FOGARTY. In Chicago?

MR. RICE. Yes.

MR. FOGARTY. No; I was here in New Orleans.

MR. RICE. Where did you meet Mr. Ragen?

MR. FOGARTY. I had bought service from—I don't think it was the Continental Press at that time.

MR. RICE. It was Nation Wide.

MR. FOGARTY. Nation Wide.

MR. RICE. You bought service from Ragen when he was with Nation Wide in Chicago. Where did you transact your business with him?

MR. FOGARTY. Over the telephone.

MR. RICE. Did you ever meet him in person?

MR. FOGARTY. No, sir.

MR. RICE. Did he have any interest in your operation at any time?

MR. FOGARTY. No, sir.

THE CHAIRMAN. Did he own any interest in the fixtures or in the lease or the place that you operated here in New Orleans?

MR. FOGARTY. No, sir.

MR. RICE. Did Nation Wide have any interest?

MR. FOGARTY. No, sir. It was personally owned.

MR. RICE. By yourself?

MR. FOGARTY. Yes.

MR. RICE. What was the name of your company then?

MR. FOGARTY. I think it was the Crescent City Publishing Co.

MR. RICE. When did that go out of business?

MR. FOGARTY. I can't remember.

MR. RICE. Approximately.

MR. FOGARTY. I can't remember.

MR. RICE. How many businesses do you have now?

MR. FOGARTY. Just that one.

MR. RICE. What is the name of it?

MR. FOGARTY. Daily Sports News.

MR. RICE. When did that start?

MR. FOGARTY. On November 19—I can't remember that, either. That's quite awhile ago. You see I am 32 years in this business.

MR. RICE. You are 32 years in the business?

MR. FOGARTY. That's right.

MR. RICE. Well, was it more than 10 years ago?

MR. FOGARTY. No; I don't think it was that long ago.

MR. RICE. Would it refresh your recollection to say that you, in 1946, had a lawsuit in which you said you and your son had been in the business for 4 years previous, which would make it in 1942, under the name of Daily Sports News?

MR. FOGARTY. I can't remember.

MR. RICE. I show you a paper and ask you if you know what it is?  
(Document examined by the witness.)

MR. COLEMAN. There is the date of it, down there.

MR. KLEIN. What?

MR. RICE. What is it? Isn't that a lawsuit?

THE CHAIRMAN. State what it purports to be.

MR. COLEMAN. That was an injunction.

MR. FOGARTY. "John J. Fogarty and J. E. Fogarty."

Mr. RICE. Now, then, inviting your attention to this statement here, what does that say? Read this to here.

(Mr. Fogarty examines document.)

Mr. RICE (reading) :

The petition of John J. Fogarty and J. E. Fogarty, both of full age and residents of this city, doing business under the trade name of Daily Sports News in this city respectfully show that they are and have been for 4 years past engaged in this city in the publication twice daily of a journal entitled "Daily Sports News."

That's dated in 1946.

So, therefore, you say in this pleading you have been engaged in that business since 1942. Isn't that right?

Mr. FOGARTY. If it says that I guess it is right. I don't remember.

Mr. RICE. Is it right or wrong? You are the witness.

Mr. FOGARTY. I can't remember.

Mr. RICE. What was the reason for that case? Tell us about that.

Mr. FOGARTY. Well, on advice of counsel, I respectfully decline to answer the question on the ground that it may tend to incriminate me under the laws of the State of Louisiana and the United States Government, especially the lottery mail statute, the United States conspiracy laws, and the income-tax laws.

Mr. COLEMAN. May I talk to him a minute?

The CHAIRMAN. Yes.

Mr. COLEMAN. I just told him I thought he could answer that.

The CHAIRMAN. Well, I think if he filed a petition and signed his name to it, I don't see why—

Mr. COLEMAN. He is just confused.

The CHAIRMAN. We don't want to have any trouble with you, Mr. Fogarty.

Mr. COLEMAN. I think he is a little confused.

The CHAIRMAN. If you filed a petition and signed your name to it, it is a public record.

Mr. RICE. The statutory period has operated on it anyhow. We'd like to know what happened at that time. What was going on: what caused that situation?

Mr. FOGARTY. I think that the telephone company had come into my place of business after working hours in the afternoon and removed the telephones I had in there, and I took an injunction against the telephone company.

Mr. COLEMAN. No, this is the one against the city.

Mr. FOGARTY. Oh, that was when they tried to raid my sports sheet, where I print my sport sheet.

Mr. RICE. Yes, what happened?

Mr. FOGARTY. I took an injunction against them.

Mr. RICE. All right. Who raided it?

Mr. FOGARTY. The city police.

Mr. RICE. And what did they take?

Mr. FOGARTY. They took—that I don't remember. Whether they took my equipment—I was unable to print my sheet.

Mr. RICE (handing document to counsel). Show it to him, Mr. Counsel. They took the telephone?

Mr. FOGARTY. Yes. They took some telegraph instruments and transmitters and later returned them to me, and agreed not to touch my office any longer, after I got the injunction.



Mr. RICE. All right, sir. This is your pleading. You say here that you have been in business for 4 years; that on August 21, 1946, the city police entered the premises of American Printing Co., 424 Camp, which is concerned with the daily printing business and prints a daily sports news; that there in that premises, essential to the operation of business and more especially said journal, was one Morse telegraph resonator, one 8-A high-speed teletype, one sending, one receiving telemeter, and one en rouse type wire. Now the police went on and took that equipment. What was that equipment being used for? In connection with printing?

Mr. FOGARTY. That's all.

Mr. RICE. That's all?

Mr. FOGARTY. That is all printing of my daily Sports News.

Mr. RICE. What was coming in over these 8-A printers? The ticker?

Mr. FOGARTY. Racing information.

Mr. RICE. Where was that coming from?

Mr. FOGARTY. Well, I don't know. We have—where the other end terminated. I think it was in New York or Chicago. I don't know.

Mr. RICE. Who were you buying it from? Who have you always bought it from?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. You refuse to answer where you were buying your information in 1942?

Mr. FOGARTY. Yes, because I can't remember.

Mr. COLEMAN. If you don't remember you can say that. You don't have to say it is refused.

The CHAIRMAN. Well, it is difficult for me to think he can't remember, who he paid for his information.

Mr. COLEMAN. When was that?

Mr. RICE. This is 1946. Four years ago.

Mr. FOGARTY. I can't remember.

Mr. COLEMAN. Five years ago.

Mr. RICE. All right, sir. Who are you buying your information from now?

Mr. FOGARTY. Continental Press Service.

Mr. RICE. How long have you been buying from Continental?

Mr. FOGARTY. I can't remember.

Mr. RICE. Five years?

Mr. FOGARTY. I can't remember.

Mr. RICE. Do you remember when you started?

Mr. FOGARTY. No, sir; I don't.

Mr. RICE. Can you tell from your records?

Mr. FOGARTY. I probably could.

Mr. RICE. Do you have your records with you?

Mr. FOGARTY. No, sir.

Mr. RICE. Didn't the subpoena call for the production of your records?

Mr. FOGARTY. Yes, sir.

Mr. RICE. And did you produce them?

Mr. FOGARTY. No, sir.

Mr. RICE. We will call on you to advise the committee how long you have been buying the service from Continental.

Mr. COLEMAN. You want to know how long?

Mr. RICE. Yes, sir.

The CHAIRMAN. All right. Let's get on.

Mr. RICE. Did you ever buy the service from anyone else?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. On what ground?

Mr. FOGARTY. That it may incriminate me.

Mr. RICE. Of what offense, State offense?

Mr. FOGARTY. Both State and Federal.

Mr. RICE. Both State and Federal?

Mr. FOGARTY. Yes.

Mr. RICE. How long ago did that offense occur about which you speak?

Mr. FOGARTY. I don't remember.

Mr. RICE. You don't remember?

Mr. FOGARTY. I don't remember; no.

Mr. RICE. Do you have a particular offense in mind?

Mr. FOGARTY. May I speak to my attorney?

The CHAIRMAN. Mr. Fogarty, to get down to it, during a certain time, did you buy your service from the Trans-America outfit out of Chicago, and what we want to know is about what happened to the time you were buying from Continental and Trans-America people came down here and tried to muscle in on you and you had some difficulty with them and finally you consolidated with them. That is the story we want to know about.

Mr. FOGARTY. Well, I refuse to answer that for fear it may incriminate me.

The CHAIRMAN. We hate to have any trouble with you, Mr. Fogarty.

Mr. FOGARTY. I am not looking for trouble, Senator, but I am not going to incriminate myself.

The CHAIRMAN. What is generally known about your operation is important to this committee and I don't know of any Federal offense that you violate in buying news off of a wire service. So I think you might talk with your counsel and see if we can't get along with this hearing.

(Mr. Fogarty confers with counsel.)

Mr. COLEMAN. He is afraid he is making mistakes on dates and things like that.

The CHAIRMAN. We are not so interested in exact dates.

(Mr. Fogarty confers with counsel.)

Mr. RICE. Do you have the answer now, sir?

Mr. FOGARTY. No, sir.

Mr. RICE. All right, sir. Now let me admonish you that it is just as much a contempt to say that you fail to remember when you do remember as it is to refuse to answer.

For how many years have you been receiving your service from Continental Press?

Mr. FOGARTY. I refuse to answer that question. I am afraid it might incriminate me.

The CHAIRMAN. Well, if we are going to have trouble with Mr. Fogarty, we may as well get the record right. I think we could get this story very simply if you want to cooperate with the committee, Mr. Fogarty. I am not advising you what to do, but the question is about how many years you have bought your service from Continental

Press or from some other press. I think it is a question I will have to direct you to answer.

Mr. FOGARTY. I refuse to answer for fear of incriminating me.

Mr. RICE. When you say you refuse to answer for fear it may incriminate you, is there any indictment outstanding against you?

Mr. FOGARTY. Yes, sir.

Mr. RICE. Are you under indictment?

Mr. FOGARTY. Yes, sir.

Mr. RICE. I understand.

The CHAIRMAN. What indictment are you under?

Mr. COLEMAN. He is under indictment in the State court for conspiracy in furnishing this news to racing books and they charged him with conspiracy to violate the State gambling laws. What he is fearing here, now, is that under the Federal lottery statute, using the mails for a lottery, that they could do the same thing.

Mr. RICE. Yes.

The CHAIRMAN. Well, of course, we haven't asked anything, Mr. Counsel, about the use of the mails.

Mr. RICE. What is the date of the indictment, approximately?

Mr. COLEMAN. That indictment is a good ways back. I don't know the date of it. It must be around the date of that suit.

Mr. RICE. The indictment is still pending?

Mr. COLEMAN. Still pending.

Mr. RICE. Since 1946?

Mr. COLEMAN. That is right.

Mr. RICE. How do you account for that?

Mr. FOGARTY. I don't know. It came up, and there were a lot of technicalities and they haven't bothered us any more. It is open, though.

Mr. RICE. You say the indictment is open?

Mr. COLEMAN. It is open; I looked at it a month or two ago.

The CHAIRMAN. Please get on with the questioning and see what we can get.

Mr. RICE. Now, then, you say at the moment you are receiving your service from Continental?

(No response.)

Mr. RICE. Now: this month.

Mr. FOGARTY. I didn't say that.

Mr. RICE. Do you say that?

Mr. FOGARTY. No. I refuse to answer—

Mr. RICE. Well, are you receiving that?

Mr. FOGARTY. I refuse to answer the question for fear it will incriminate me.

Mr. RICE. You refuse to say where you are getting it now?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. I will have to direct you to answer that question: where you are getting it.

Mr. FOGARTY. I refuse to answer the question.

The CHAIRMAN. Go ahead.

Mr. RICE. On what ground do you refuse to answer that question?

Mr. FOGARTY. For fear it may incriminate me.

The CHAIRMAN. Let's go on with the questions.

Mr. RICE. In connection with the same indictment?

Mr. FOGARTY. Exactly.

Mr. RICE. Mr. Counsel, would you instruct the witness with respect to the indictment now pending?

Mr. COLEMAN. He is afraid of indictment under the Federal court, under a conspiracy to violate the lottery statute.

Mr. RICE. He anticipates an indictment in the Federal court. Is that correct?

Mr. COLEMAN. He fears Federal indictment.

Mr. RICE. There is no pending indictment in Federal court. Is that correct?

Mr. FOGARTY. Correct.

Mr. RICE. I see. That is your reason for refusing, because you anticipate indictment?

Mr. FOGARTY. That is correct.

Mr. RICE. I will ask the Chair to instruct him.

The CHAIRMAN. He has been directed. You ask the questions and we will get on.

Mr. RICE. Now, sir, at this time, are you furnishing service to any subscribers?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

The CHAIRMAN. That is by "you," you mean the Daily Sports News. That is what you mean, Mr. Rice?

Mr. RICE. Yes.

Mr. FOGARTY. That is right.

The CHAIRMAN. You refuse to answer that question?

Mr. FOGARTY. That's right.

The CHAIRMAN. You will be directed to answer. Do you refuse to follow the direction?

(No response.)

The CHAIRMAN. Do you refuse to answer even though directed by the chairman to answer?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. May I ask, to begin with, what is the Daily Sports News? Is it a corporation?

Mr. FOGARTY. It is a partnership.

The CHAIRMAN. Of you and your son?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. And who else is in the partnership?

Mr. FOGARTY. That's all.

The CHAIRMAN. You own half and your son owns half?

Mr. FOGARTY. Yes.

The CHAIRMAN. What is his first name?

Mr. FOGARTY. J. E. Fogarty.

The CHAIRMAN. All right, Mr. Rice.

Mr. RICE. Who are the employees of the Daily Sports News?

(No response.)

Mr. RICE. Name one.

Mr. FOGARTY. I refuse to answer that for fear it may incriminate them. I refuse to answer the question.

The CHAIRMAN. Do you refuse to answer that question?

Mr. FOGARTY. Yes.

Mr. RICE. On what ground?

The CHAIRMAN. You are directed to answer it.

(No response.)

The CHAIRMAN. Do you refuse to follow the direction of the chairman?

Mr. FOGARTY. Yes.

The CHAIRMAN. Go ahead.

Mr. RICE. Let me ask you if in 1943 you did not have an employee by the name of Steincamp?

Mr. FOGARTY. I refuse to answer that question. I can't remember that far back.

Mr. RICE. Have you ever had an employee by the name of Steincamp?

Mr. FOGARTY. Yes.

Mr. RICE. When?

Mr. FOGARTY. I can't remember.

Mr. RICE. Is he employed by you now?

Mr. FOGARTY. No.

Mr. RICE. How many years ago was it that he left you?

Mr. FOGARTY. I don't remember.

Mr. RICE. Would it refresh your recollection any to tell you that he was on your payroll in 1943 and 1944?

Mr. FOGARTY. I don't remember.

Mr. RICE. Would that be a fair statement?

Mr. FOGARTY. I don't remember.

Mr. RICE. Is that wrong?

Mr. FOGARTY. I don't remember.

Mr. RICE. Now, about Frank E. Stanton, did he ever work for you?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

The CHAIRMAN. Well, you are ordered to answer that question.

Mr. FOGARTY. I refuse to answer it.

Mr. RICE. Do you know Frank E. Stanton?

Mr. FOGARTY. I refuse to answer that.

Mr. RICE. On what ground?

Mr. FOGARTY. For fear it may incriminate me.

The CHAIRMAN. Well, you will be ordered to answer it.

Mr. FOGARTY. I refuse to answer it.

Mr. RICE. Do you know Ralph Emory?

Mr. FOGARTY. I do not.

Mr. RICE. Did he ever work for you?

Mr. FOGARTY. I don't know him.

Mr. RICE. Do you know Anthony Marcello?

Mr. COLEMAN. Anthony Marcello?

Mr. RICE. Anthony Marcello.

Mr. FOGARTY. No, sir; I do not.

Mr. RICE. You don't know Anthony Marcello?

Mr. FOGARTY. Anthony; no.

Mr. RICE. Do you know Carlos Marcello?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

Mr. RICE. On what grounds?

The CHAIRMAN. Well, let's don't argue about the grounds. You are directed to answer the question.

Mr. FOGARTY. I refuse to answer it.

Mr. COLEMAN. Excuse me; it will be understood it is on the same grounds right through?

The CHAIRMAN. All right.

Mr. RICE. All right. Does Carlos Marcello have any interest in your company?

Mr. FOGARTY. No, sir.

Mr. RICE. Has he ever received any money from your company?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

The CHAIRMAN. You are directed to answer.

Mr. FOGARTY. I refuse to answer.

Mr. RICE. Has Joseph Marcello any interest?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

The CHAIRMAN. You are directed to answer.

Mr. FOGARTY. I refuse to answer it.

The CHAIRMAN. Now, let's get at this, now: I take it, to show the relevancy of this, Mr. Rice, you are asking these questions because of the allegation, or the indication here that Mr. Fogarty had a company and then that there was a rival wire service set-up.

Mr. RICE. Yes.

The CHAIRMAN. Will you state for the record just the relevancy of these questions and what you are trying to prove so that we can see whether they are pertinent or not?

Mr. RICE. Now, then, sir, is it a fair statement to say that prior to 1946 you had no competition in your area in the business you were in—the wire service?

Mr. COLEMAN. Did you understand the question?

Mr. FOGARTY. No.

Mr. RICE. Were there any competing companies? Were you the only one here in that type of business in this area?

Mr. FOGARTY. What year was that?

Mr. RICE. Before 1946.

Mr. FOGARTY. I don't remember that. I can't remember that.

Mr. RICE. You can't remember whether you were ever in competition or not?

(No response.)

Mr. RICE. Have you ever had a competing company here with a wire-service business?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

The CHAIRMAN. Now, Mr. Fogarty and Mr. Coleman, can it be stipulated and agreed that when he refuses to answer a question that the chairman has also directed him to answer the question?

Mr. COLEMAN. Yes.

The CHAIRMAN. Do you understand that, Mr. Fogarty?

Mr. FOGARTY. Yes.

The CHAIRMAN. All right. Let's get ahead with the questioning.

Mr. RICE. Would it be a fair statement to say that you had no competition from 1944 to 1946?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

Mr. RICE. That in 1946 a competitive wire service started here under Joe Poretto?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Do you know Joe Poretto?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. That several of your customers were lost by you during July and August of 1946?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. I will ask you if it is not a fact that Poretto's wire service was known as the Southern News Publishing Co.?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Were you here a few minutes ago?

Mr. FOGARTY. Where?

Mr. RICE. In the courtroom.

Mr. FOGARTY. Yes.

Mr. COLEMAN. He wasn't in here.

Mr. RICE. Did you hear the testimony of the Western Union man?

Mr. FOGARTY. I have been here since 9:30 this morning, but I have been outside.

Mr. RICE. Have you ever heard of Southern News Publishing Co.?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. You refuse to answer whether you have ever heard of the Southern News Publishing Co.?

Mr. FOGARTY. That is right.

Mr. RICE. Had you heard of the Southern News Publishing Co. in 1946?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Now, sir, on August 20, 1946, there was a raid on the Southern News Publishing Co. by the New Orleans police at 204 Liberty Building, St. Charles Street, at which time arrested were Louis Steincamp, Joseph Trovato, Ralph Emory of Cicero, Ill., whose father was known to be associated with Al Capone, Anthony Carollo, and Franky Stanton. Do you know about that?

Mr. FOGARTY. From reading it in the newspapers; yes.

Mr. RICE. What do you know about that?

Mr. FOGARTY. Only what I read in the newspapers.

Mr. RICE. Wasn't that a competitive wire service to yours?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. What did you read in the papers?

Mr. FOGARTY. About the raid that was made on the place.

Mr. RICE. What did it say?

Mr. FOGARTY. What you just said.

Mr. RICE. What did it say?

Mr. FOGARTY. I don't remember.

Mr. RICE. When did you read it?

Mr. FOGARTY. The day it was published in the paper.

Mr. RICE. How do you remember that but you can't remember whether you had competition at that time?

Mr. FOGARTY. Because you refreshed my mind by just reading it there to me.

Mr. RICE. All right, sir. I will read you a few more things and see if that refreshes your recollection:

That among the equipment found at that time in addition to the ticker was a microphone to telephone race results that Poretto, in his pleading in a subsequent suit, showed that his telegraph wire was operated through Brooklyn, New York City, Chicago, and St. Louis to New Orleans.

Have you ever heard of that wire service?

Mr. FOGARTY. No; I don't remember that.

Mr. RICE. You don't remember that part?

Mr. FOGARTY. No.

Mr. RICE. Now, then, the very next day your organization was raided; was it not?

Mr. FOGARTY. I was raided, but I don't remember the day it was raided.

Mr. RICE. August 21, 1946. Who was picked up at that time?

Mr. FOGARTY. I don't know.

Mr. RICE. Were you?

Mr. FOGARTY. I think I was. I think that is the charge we were speaking of here a few minutes ago.

Mr. RICE. All right, sir. Was there any publicity at that time to the effect that the raid on your place was a fake?

Mr. FOGARTY. Was a fake?

Mr. RICE. Was a fake; yes.

Mr. FOGARTY. It couldn't have been much of a fake if I was charged.

The CHAIRMAN. Were you at 425 Camp Street at that time?

Mr. FOGARTY. Yes, sir.

Mr. RICE. Is that where you are now?

Mr. FOGARTY. That is right.

Mr. RICE. I will read you an excerpt from a newspaper of January 18, 1951, referring to this event:

That on August 1946 following police raids on Fogarty's and Poretto's establishments, a man named Waterman charged that the mayor and the police had favored Fogarty over Poretto in the raids and that the raid on Fogarty's place was a fake.

Did you ever hear that before?

Mr. FOGARTY. I believe I remember reading something similar to that.

Mr. RICE. Was it a fake?

Mr. FOGARTY. How could it be a fake when I was charged in the courts?

The CHAIRMAN. What happened to you? You were arrested? Did you get fined or anything?

Mr. FOGARTY. No; the case is still pending.

Mr. RICE. Nothing ever happened? Did you get your equipment back?

Mr. FOGARTY. Yes.

Mr. RICE. How did that happen?

Mr. FOGARTY. No. From the raid?

Mr. RICE. Yes.

Mr. FOGARTY. No, sir.

Mr. RICE. They still have it?

Mr. FOGARTY. They still have it—the police.

Mr. RICE. You never got it back?

Mr. FOGARTY. No. No, I never did get any of it back. Western Union got their equipment back. What little they took from me was just minor stuff that I didn't care whether they returned or not.

Mr. RICE. All right. At that time, the operators of the Southern News were Poretto, Ralph Emory, Frank Coppola, Anthony Carollo, Anthony Marcello, and Joseph Marcello, Jr.

The CHAIRMAN. Do you know that to be true? Did you hear that?



Mr. FOGARTY. No, sir; I don't know anything about what they did—anything about their business. That's their business.

Mr. RICE. Now, within a few months, the service which was being received by that outfit was transferred to 117 Huey P. Long Avenue, Gretna, from the Southern News Publishing Co.

Mr. FOGARTY (laughs).

The CHAIRMAN. Ask him if he knows?

Mr. RICE. What do you know about that?

Mr. FOGARTY. I don't know anything about it.

Mr. RICE. There has been testimony here this afternoon from Western Union that for a time they operated at the St. Charles Street address, Liberty Building, and then transferred the service to 117 Huey P. Long Avenue. You have an operation there; do you not?

Mr. FOGARTY. I refuse to answer that for fear it may incriminate me.

The CHAIRMAN. Let's get the place where we are talking about. He has an operation where.

Mr. RICE. 117 Huey P. Long Avenue.

The CHAIRMAN. Gretna?

Mr. FOGARTY. I refuse to answer the question for fear it may incriminate me.

Mr. RICE. Don't you lease space there?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. That on or about December 1946, there was either a muscling or forcing into your organization by this outfit, resulting in a merger, and thereafter the interest in your organization was Fogarty, 25 percent; Anthony Marcello, 37½ percent, and Joseph Marcello, 37½ percent. Is that right?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. What do you know about that?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

Mr. RICE. Anything at all?

The CHAIRMAN. Now, Mr. Rice, apparently what you are trying to bring out by these questions is that Mr. Fogarty and his son, in the Daily Sports News, had the Continental, and about that time Poretto and Carollo and Marcello et al. formed the—what is the name of the other one? Southern News?

Mr. RICE. Southern News.

The CHAIRMAN. Southern News. They had a place at Gretna—whatever that address was.

Mr. RICE. 117 Huey P. Long.

The CHAIRMAN. 117 Huey P. Long. First the Southern Sports News was raided and then shortly after that—that was in 1946; was it?

Mr. RICE. Yes.

The CHAIRMAN. Shortly after that, why, Mr. Fogarty's place was raided, and then there came about a combined operation at 117 Huey Long Avenue, Gretna, composed of Fogarty, Anthony, and Joseph Marcello. Is that what you are asking the witness about?

The CHAIRMAN. That is the story.

Mr. FOGARTY. You want me to answer that?

Mr. RICE. Would you like to tell us about that?

Mr. FOGARTY. I refuse to answer that question for fear it may incriminate me.

Mr. RICE. What is the number of your telephone at home?

Mr. FOGARTY. University 3076.

Mr. RICE. University 3076. Do you also have a telephone, Raymond 2723?

Mr. FOGARTY. No, sir.

Mr. RICE. Does the Daily Sports News have a telephone?

Mr. FOGARTY. Yes, sir. No; not that number. You have the wrong number.

Mr. RICE. What number?

Mr. FOGARTY. Raymond 3723.

Mr. RICE. Raymond 3723. Thank you. It's a transposition in typing. (He does know something.)

Now sir, do you know Butsy O'Brien, over in Florida?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Have you received person-to-person telephone calls from Butsy O'Brien over in Florida?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Isn't Butsy O'Brien the operator of the Intra-State News, which services the racing news?

Mr. FOGARTY. That I don't know.

Mr. RICE. Have you ever heard of Butsy O'Brien?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Have you ever talked with Butsy O'Brien on the telephone?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Isn't it a fact that during the time the S. & G. Gambling Syndicate in Miami was cut off from the wire service in February and March of 1949 that you talked with Butsy O'Brien on the telephone about that cut-off?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Isn't it a fact that there was an effort made to receive wire service from your organization into Florida at that time?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, I think they said they did get it from New Orleans; didn't they?

Mr. RICE. Do you know a man named Eddie Mooney?

Mr. FOGARTY. No, sir; I don't.

Mr. RICE. Isn't it a fact that Eddie Mooney came over from Florida at that time?

Mr. FOGARTY. I don't know Eddie Mooney.

Mr. RICE. Do you have an office in the Balter Building?

Mr. FOGARTY. Yes, sir.

Mr. RICE. What is the number of that?

Mr. FOGARTY. 507.

Mr. RICE. And any other room number? How many rooms do you have?

Mr. FOGARTY. Just two rooms. I have a little anteroom.

Mr. RICE. 506 and 507; are they not?

Mr. FOGARTY. That's right; it's an anteroom.

Mr. RICE. You leased those rooms?

Mr. FOGARTY. Yes.

Mr. RICE. How much do you pay?

Mr. FOGARTY. I don't remember.

Mr. RICE. How much are you paying now?

Mr. FOGARTY. I don't know what the rent is.

Mr. RICE. You don't know what rent you pay at the Balter Building? From whom do you rent?

Mr. FOGARTY. From the Balter Building; Bluford Balter.

Mr. RICE. How often do you pay rent?

Mr. FOGARTY. My boy takes care of that. I don't worry about what the rent is. In fact, I don't know what the amount of the rent is.

Mr. RICE. Is there a man named Marzoni in the Balter Building?

Mr. FOGARTY. Yes.

Mr. RICE. What does he do?

Mr. FOGARTY. He is an auditor.

Mr. RICE. Is he associated with you?

Mr. FOGARTY. No. He works for me. He has several different concerns he works for. I am one of them.

Mr. RICE. He handles your books?

Mr. FOGARTY. Yes, sir.

Mr. RICE. Do you know Eddie Mooney?

Mr. FOGARTY. No, sir.

Mr. RICE. Isn't it a fact that during that cut-off of the wire service in Florida that Mooney came over here and used the telephone in Marzoni's office to call race results to Florida?

Mr. FOGARTY. I never heard of Eddie Mooney in my life.

The CHAIRMAN. Did somebody do that? Do you know?

Mr. FOGARTY. I don't remember that at all.

Mr. RICE. Would you say that that did not happen?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, the question is whether somebody got news out of the Daily Sports News and then from this auditor's office called it into Florida.

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Did you get some money from the S. & G. Investment Co., or S. & G. Syndicate in Florida?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Have you ever heard of the Bank Club?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Isn't it true that the Bank Club is located at 117 Huey P. Long Avenue?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. In the same building where you have an operation?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. And that the Bank Club is a gambling casino?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, did you ever hear of the Bank Club?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. How far is that address from the sheriff's office there?

Mr. FOGARTY. I don't know. I live in New Orleans. I don't know anything about Gretna.

Mr. RICE. You don't know where the sheriff's office is in Gretna?

Mr. FOGARTY. Sure. Everyone that goes to Gretna and sees that knows it's the city hall. It is close to the city hall but how far it is, I don't know.

Mr. RICE. It's right across the street; isn't it?

Mr. FOGARTY. I don't know.

Mr. RICE. Could it be?

Mr. FOGARTY. I don't know.

Mr. RICE. Do you go there every day?

Mr. FOGARTY. No, sir.

Mr. RICE. How frequently do you go there?

Mr. FOGARTY. I haven't been in Gretna, probably, in 2 years now.

Mr. RICE. The Daily Sports News has an office there; does it not?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Who is Neuhauser?

Mr. FOGARTY. That's my sister, Mrs. Neuhauser.

Mr. RICE. What business do you have with her? What is her first name?

Mr. FOGARTY. Mrs. Claire Neuhauser.

Mr. RICE. Where does she live?

Mr. FOGARTY. On Nelson Street.

Mr. RICE. What business do you have with her?

Mr. FOGARTY. The only business I have is when my parents died they left us property, and that—

Mr. COLEMAN. That is merely a succession.

Mr. FOGARTY. That is merely a succession. That's all that is.

Mr. COLEMAN. That is an estate.

Mr. RICE. Do you receive income from that source?

Mr. FOGARTY. Yes, sir.

Mr. RICE. What are the investments which produce this income?

Mr. FOGARTY. Rent. They are rental properties.

Mr. RICE. Where is that located?

Mr. FOGARTY. Different parts of the town. I think there are five or six pieces of property.

Mr. RICE. Five or six pieces of property.

Mr. FOGARTY. Small properties; yes.

Mr. RICE. That was left to you. You inherited it?

Mr. FOGARTY. Isn't there a copy in the folder I gave you there?

The CHAIRMAN. Where is the folder you gave us? I haven't seen that.

Mr. FOGARTY. That's all that it was: A few pieces of property that was left by my father and mother.

The CHAIRMAN. Is this Daily Sports News a profitable business? You make a good deal of money out of it?

Mr. FOGARTY. I refuse to answer that question, Senator.

Mr. RICE. Let's see if this refreshes your recollection any. I am reading from a record which shows that in 1940 you were connected with the Crescent City Publishing Co. Is that correct?

(No response from Mr. Fogarty.)

Mr. RICE. You then lived at 3507 Nashville Avenue?

Mr. FOGARTY. That is the same apartment. That's a duplex.

Mr. RICE. In 1941 you were connected with Daily Sports News, 507 Balter Building. Is that right?

Mr. FOGARTY. That is right.

Mr. RICE. Now, you purchased news service from the Enterprise Publishing Co. in 1941, paying them \$10,365.48. Is that right?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, now, I didn't get the difference in the names of these companies. You had Crescent News and then Daily Sports News? Is that all the same? one company went into another?

Mr. FOGARTY. That's right; just a change of name.

Mr. RICE. With whom did you do business in the Enterprise Publishing Co. in 1941 or any other time?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Where was the Enterprise Publishing Co. located?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Was it in Chicago?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. In 1941 did you have the following employees, F. R. Stanton?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Beard, Gordon, Mulcara, Gaines, LeGuard, Steincamp, Oakmore, Clement, Wealey, Croninburg?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Do you remember any of those people?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Now, sir, isn't it true that Stanton and Steincamp were later arrested while working for Joe Poretto?

Mr. FOGARTY. I refuse to answer that.

The CHAIRMAN. Did you read that in the newspapers?

Mr. FOGARTY. I can't remember that arrest of 10 years ago. I can't remember 10 years ago, who was raided in a friend's place.

Mr. RICE. The arrest was in '46?

The CHAIRMAN. Let's put it this way: That some of the employees you had working for you when you were at—before 1946; did they later get arrested or did they later go to work for the Southern Sports News?

Mr. FOGARTY. I refuse to answer that question, Senator.

The CHAIRMAN. All right. Let's go to another witness.

Well, Mr. Coleman, just as the matters stand now, why we are in difficulty with this witness. You talk it over with him.

Mr. COLEMAN. I will do that, Senator.

The CHAIRMAN. While we are here, if he wants to do something about it, all right. But you remain under subpoena, Mr. Fogarty.

Mr. COLEMAN. You want us back tomorrow?

Mr. RICE. Before he leaves: Has George Reyer ever been on the payroll of Daily Sports News?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. How about James Moran, alias James Brocato?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, here is the question: Did you have different partners after both wire services were closed up and the new business was started than you had before they were closed up?

Mr. FOGARTY. I refuse to answer that question, Senator.

Mr. RICE. Do you know who George Reyer is?

Mr. FOGARTY. Ex-chief of police, New Orleans.

Mr. RICE. What is he doing now?

Mr. FOGARTY. I don't know.

Mr. RICE. Does he have any interest in the Daily Sports News?

Mr. FOGARTY. No, sir.

Mr. RICE. Does he receive money from it?

Mr. FOGARTY. I refuse to answer that.

Mr. RICE. Has he ever received money from it?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. He has no present connection?

Mr. FOGARTY. I refuse to answer that question.

Mr. RICE. Isn't it a fact he has been receiving a hundred dollars a week from the Daily Sports ever since he left his job with the police department?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Has he received anything from the Daily Sports?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Well, Mr. Fogarty, you and your son now have the Daily Sports News?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. His name is Gene. How long have you and your son, Gene, had the Daily Sports News?

Mr. FOGARTY. I can't remember that.

The CHAIRMAN. That is, how long has it been since you had some other partners in there with you?

Mr. FOGARTY. I have never had any other partners. I have always been on my own. I have been a "lone wolf" ever since I have been in the business. I took my boy in with me a few years ago after he married.

The CHAIRMAN. After your business was closed up and started up again, didn't you have some other partners besides you and Gene?

Mr. FOGARTY. No, sir.

The CHAIRMAN. You were the only ones?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. Do you have anybody named Marcello in your business?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Is Marcello a partner?

Mr. COLEMAN. Excuse me, sir. [Confers with witness]

All right.

The CHAIRMAN. Wasn't it true that after you started up business again your son Gene wasn't even in the partnership, for a while?

Mr. FOGARTY. I think I said that I took him in after he got married. I can't remember just how many years he is in. It's not a very long time.

The CHAIRMAN. Anyway, after you started up after you were closed down and the wire service started up again, wasn't the partnership you and Anthony Marcello and Joseph Marcello?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. And your son Gene was not even in the partnership?

Mr. FOGARTY. I refuse to answer that.

The CHAIRMAN. How did you get the Marcellos out and get Gene in?

Mr. FOGARTY. I refuse to answer that one.

The CHAIRMAN. Do they still have any interest in the Daily Sports News?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Do you know Anthony Marcello?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Do you know Joseph Marcello?

Mr. FOGARTY. I refuse to answer that question. There are so many of them.

The CHAIRMAN. I think there is no use asking him any more questions.

It is regrettable that you feel that you can't cooperate with this committee.

That will be all, Mr. Coleman.

Mr. COLEMAN. Are we ordered back tomorrow at 9:30?

The CHAIRMAN. You are only ordered back if your witness wants to—

Mr. RICE. Yes.

The CHAIRMAN. Yes; all right. You are ordered back tomorrow at 9:30.

(Witness excused.)

**TESTIMONY OF JOSEPH PORETTO, NEW ORLEANS, LA., ACCOMPANIED BY P. M. FLANAGAN, ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. You do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PORETTO. I do.

Mr. FLANAGAN. At the outset, Mr. Chairman, I would like to make the statement that I appreciate the duty imposed upon you by Senate Resolution 202, and I likewise would like the committee to understand the duty imposed upon me in representing my client.

The CHAIRMAN. We appreciate that, Mr. Flanagan.

Mr. FLANAGAN. Any remarks that I may say or any statement, and the manner in which the statements are made, or the manner in which the questions are answered, I want it understood it is not to be construed as a discourtesy to this committee.

The CHAIRMAN. That is very thoughtful of you, Mr. Flanagan.

Mr. FLANAGAN. I would like for the record to show the introduction of Senate Resolution 202 into the record insofar as this witness is concerned. I believe it was offered at the beginning of this morning's session, but I want it to apply and to be made a part and parcel of the record as to this witness.

The CHAIRMAN. As to this witness, we will make the Senate resolution a part of the record. We will make the resolution of the committee authorizing this meeting, and authorizing the chairman to direct one member of the committee to hold the meeting, part of the record.

(The resolution referred to was made a part of the record, and is as follows:)

**SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE  
DECEMBER 22, 1950.**

*Resolved*, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of whom one member shall be a quorum for the purpose of taking testimony and all other committee acts, to hold hearings at such time and places as the chairman might designate, in furtherance of the committee's investigations of organized crime, in the vicinities of the cities of Tampa, Fla., and New Orleans, La.

ESTES KEFAUVER, *Chairman*.  
HERBERT R. O'CONNOR.  
LESTER C. HUNT.

Mr. FLANAGAN. In reading Senate Resolution 202, I noticed that it is composed of five members.

The CHAIRMAN. That is correct.

Mr. FLANAGAN. And inasmuch as there is only one member present at this time, I want to object as to the want of a quorum.

The CHAIRMAN. Your objection will be noted.

Mr. FLANAGAN. And we reserve all of our rights.

The CHAIRMAN. And overruled, because this hearing by one member has been authorized by the whole committee, which comes within the terms of the Christoffel case, a case by the United States Supreme Court.

Mr. FLANAGAN. Mr. Chairman, am I correct when I say that the section 1 of the resolution provides that this committee has the right to investigate State laws as well as any Federal laws?

The CHAIRMAN. No, sir. It only has the right to investigate transactions in interstate commerce which are in violation of the Federal laws—of the Federal Government—or of the laws of the States where the transactions take place.

Mr. FLANAGAN. Your Honor, I have a further statement to make.

The CHAIRMAN. Yes, sir.

Mr. FLANAGAN. The newspapers, for the last 2 weeks or more, have contained statements as to the activities of the witness as a member of a national racket gang. That particular statement appeared yesterday in the Item newspaper and it stated, as furnished by the Kefauver men and as well as other criminal organizations, and I believe also in the past few weeks, there has been a lot of prominence given to Mr. Poretto as to his private life. It follows that the questions the committee will probably ask the witness will be of two classes: First, questions the answer to which might tend to incriminate him, and, second, questions which are not pertinent to this inquiry. The witness has requested me to state to the committee that he will, to those questions which may be pertinent to the inquiry the answers to which may tend to incriminate him, refuse to make answer; and that he will, further, refuse to make answer to all questions which are not pertinent to this inquiry which seek to pry only into his personal affairs. As to the self-incrimination, we are relying on the various Supreme Court decisions and the case of *Kilburn v. Thompson*, which held that neither of the bodies, referring to either House, would have any right to possess any power of making inquiries into the private affairs of citizens.

I would also like the record to show that there is present in the court, and I believe there was some statement appearing in the newspapers, that the district attorney of the State, the United States attorney, law-enforcement officers, were invited to this hearing.

The CHAIRMAN. Well, sir, this is an open hearing. I don't know if they are present, but they have a right to be here.

Mr. FLANAGAN. And that the record shows that they are present in the courtroom.

The CHAIRMAN. All right.

Mr. RICE. Your name, sir?

Mr. PORETTO. Joe Poretto.

Mr. RICE. Where do you live?

Mr. PORETTO. 28 Soniat Place.



Mr. RICE. How old are you?

Mr. PORETTO. I am 44 years old.

Mr. RICE. Where were you born?

Mr. PORETTO. New Orleans.

The CHAIRMAN. Is that Soniat Place in New Orleans?

Mr. PORETTO. Jefferson Parish.

Mr. RICE. Have you lived here all of your life?

Mr. PORETTO. Yes; I have.

Mr. RICE. Have you ever been in Houston?

Mr. PORETTO. I refuse to answer that question on the ground it may tend to incriminate me.

The CHAIRMAN. Well now, just a minute. You mean you refuse to answer whether you have ever been in Houston, Tex., or not? Is that right?

Mr. PORETTO. I have answered the question, Senator.

Mr. RICE. Now, are you under indictment?

The CHAIRMAN. Well, just a minute. Counsel, I will have to order your client to answer that question.

Mr. FLANAGAN. Well, Your Honor, this section 1 of the resolution provides that you are investigating any activities, transactions, which are in violation of the laws of the United States or any State which are of an interstate character. The witness certainly has a right to rely on his constitutional privilege. All of these questions, however innocent they may look, if the witness answers any one of them, that may be the connecting link in the chain of evidence necessary to either prosecute him in the Federal courts or in the State courts.

Mr. RICE. Yes; but this isn't a forum for speculation. In order to assert his privilege he has to have a fixed situation in mind upon which he asserts that privilege.

The CHAIRMAN. There is no use arguing the legal technicalities here. Let's ask the questions.

Anyway, you are ordered to answer the question whether you have ever been to Houston, Tex.

Mr. PORETTO. I refuse to answer the question on the grounds I may tend to incriminate myself.

Mr. RICE. Do you have a criminal record?

Mr. PORETTO. I refuse to answer that question on the grounds I may tend to incriminate myself.

Mr. RICE. Have you ever been arrested?

Mr. PORETTO. I refuse to answer that question on the grounds that I may tend to incriminate myself.

Mr. RICE. Have you served time?

Mr. PORETTO. I refuse to answer that question on the grounds I may tend to incriminate myself.

Mr. RICE. Are you under indictment?

Mr. PORETTO. I refuse to answer that question on the grounds that I may tend to incriminate myself.

The CHAIRMAN. Well, if you are under indictment you have already taken one step toward incriminating yourself. That is a public record.

All right. You refuse to answer.

Now, you understand that you are being ordered to answer these questions that counsel has put to you, and can we have the understanding that unless I order the question withdrawn that I will direct

him to answer the question, and if he refuses to answer it in the first instance that he will refuse to follow the direction of the Chair?

Mr. FLANAGAN. It is understood that he refuses to answer those questions because he is standing on his constitutional privilege.

The CHAIRMAN. I know. It then becomes my duty to direct him to answer each of the questions. That is, after he refuses to answer, I direct him to answer, and then he refuses to follow the direction.

Mr. FLANAGAN. That is correct.

The CHAIRMAN. Can that be understood, that he is directed to answer each of the questions he refuses?

Mr. FLANAGAN. He refuses, relying on his constitutional privilege.

The CHAIRMAN. Yes; that is correct.

Mr. RICE. Now, sir, going back to the question about whether you have ever been arrested or not, do you assert your privilege because you are under a pending indictment?

Mr. PORETTO. I refuse to answer that question on the grounds that I may tend to incriminate myself.

Mr. RICE. Are there any special circumstances connected with that situation which gives you the right to assert the privilege?

Mr. FLANAGAN. Mr. Chairman, I don't know. He says "that situation," but he didn't explain any situation.

Mr. RICE. Yes. He has a situation in mind which will incriminate him. If he doesn't, he must answer.

Mr. FLANAGAN. Yes. His situation would be based on what you have.

Mr. RICE. The question is: Has he ever been arrested? If he answers that, he takes the position that it will incriminate him of another offense. This other offense is what I am driving at. Now, sir, do you understand that?

The CHAIRMAN. Let's get it a little bit clearer. The question was whether you had ever been arrested. You refused to answer. Now, just go on and ask the question, Mr. Rice.

Mr. RICE. All right, sir.

How long ago did the transaction occur that you base your refusal to answer the question on?

Mr. FLANAGAN. Mr. Chairman, I don't believe that is a fair question.

The CHAIRMAN. How long ago did something happen which makes him afraid any testimony now would incriminate him?

Mr. FLANAGAN. Everybody knows the purpose of this committee, and the purpose for which he was called, and certainly we all know what you are driving at: trying to get violations of either State or Federal law; and, with that in mind and with the privilege guaranteed to him under the Constitution, he can't have any exact thing or particular situation in mind until some pertinent questions are asked him.

Mr. RICE. He has a pertinent question. The question is: Has he ever been arrested?

The CHAIRMAN. He has refused to answer that. Let's go on to another question.

Mr. PORETTO. I have answered the question.

The CHAIRMAN. Let's go on to the next.

Mr. RICE. Now then, sir, what business are you in now?

Mr. PORETTO. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. What business were you in 10 years ago?

Mr. PORETTO. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Have you ever been in Chicago?

Mr. PORETTO. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. Are you married?

Mr. PORETTO. Yes; I am married.

Mr. RICE. How long have you been married?

Mr. PORETTO. Close to 3 years.

Mr. RICE. Now, sir, have you ever been connected with the Southern News Publishing Co.?

Mr. PORETTO. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Were you connected with the Southern News Publishing Co. in 1946?

Mr. PORETTO. I refuse to answer that question on the grounds it may tend to incriminate me.

The CHAIRMAN. Well, now, we understand. You just say you refuse to answer, and we will understand the grounds.

Mr. FLANAGAN. That it is on the grounds that it might incriminate him, or the questions are not pertinent to the issue.

The CHAIRMAN. And it might incriminate him. All right.

Mr. RICE. In 1946, did you leave Houston and come to New Orleans and start the Southern News Publishing Co.?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you send \$5,000 to Trans-America in 1946 for a news service?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you send \$5,000 to Trans-America in Chicago in 1946 for any purpose?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Have you ever heard of Trans-America?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you contract to purchase wire service from Trans-America in 1946?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever have any dealings with Western Union in 1946?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Were you not billed by Western Union for furnishing wire service in 1946?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Were you arrested on August 20, 1946, while operating the Southern News Publishing Co.?

Mr. PORETTO. I refuse to answer.

The CHAIRMAN. Let me ask one thing of either the witness or counsel. Southern News Publishing Co.—is that a corporation or a partnership, or can you tell us what it was?

Mr. FLANAGAN. I have no knowledge, myself.

The CHAIRMAN. Can you say?

Mr. PORETTO. And I refuse to answer.

The CHAIRMAN. You just refuse to tell us anything about it?

Mr. PORETTO. That is correct, sir.

Mr. RICE. Did not the New Orleans Police Department, on August 20, 1946, arrest you, Louis Steincamp, Joseph Trovato, and Ralph Emory?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Anthony Carollo?

Mr. PORETTO. I refuse to answer.

Mr. RICE. And Frank Stanton?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know any of those men?

Mr. PORETTO. I refuse to answer.

The CHAIRMAN. Have you heard of any of them?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you file an injunction, or was an injunction filed on your behalf on August 23, 1946, entitled "*Joseph Poretto v. Herve Racivitch, District Attorney for the Parish of Orleans*"?

Mr. PORETTO. I refuse to answer.

The CHAIRMAN. Well, suppose by reference, if this is a certified copy, which it appears to be, of the State of Louisiana, Civil District Court for the Parish of Orleans, Docket No. 5, No. 270,953, the chairman will put this in the record. It appears to be a petition filed August 23, 1946, and is a public record.

Mr. FLANAGAN. Mr. Chairman, I object to any documents being put in the record unless it is identified and unless it is certified according to the acts of Congress.

The CHAIRMAN. All right. Your objection is noted.

This will be put in the record as an exhibit; anyway, it seems to have some certification on it here. Let's mark it "Exhibit No. 13."

(The document was marked "Exhibit No. 13" and is on file with the committee.)

Mr. RICE. Do you know Charles Palermo, a notary public?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever acknowledge a legal instrument?

Mr. PORETTO. [No response.]

Mr. RICE. Did you ever sign a legal instrument, a legal document, before a notary public?

Mr. PORETTO. [No response.]

The CHAIRMAN. Mr. Rice, if you want to read a part of that record and ask the witness about it—

Mr. RICE. Did you—

Mr. PORETTO. I said I refused to answer.

The CHAIRMAN. State what the petition is about and read the part of it—

Mr. RICE. Did you not state in the petition filed August 23, 1946, in part?—

That Joseph Poretto was in the business of the Southern Publishing Co. and called for the return of certain teletype printing machine, teleprinter, and other articles set out; that on August 20, 1946, the police of the city of New Orleans raided the premises at 204 Liberty Building, on St. Charles Street in this city, and received the teletype writing machine and teletype printing machine, which is a part of and was connected to a telegraph press wire operating through Brooklyn, New York City, Chicago, and St. Louis, to New Orleans.

Mr. PORETTO. I refuse to answer.

Mr. RICE. Were you connected in any way with a telegraph wire operating through Brooklyn, New York City, Chicago, and St. Louis to New Orleans?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Is it not true that at that time you had four employees, namely, Louis Steincamp, Joseph Travoto, Ralph Emory, and Anthony Carollo?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know Ralph Emory?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Is it not true that he is from Cicero, Ill.?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know where he is now?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever know him?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Have you ever heard of the Interstate Press Wire Service?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Is it not true that you stated that, in connection with the Interstate Press Wire Service furnished you for accumulating news necessary for publication, leased same from Western Union Co., you accumulated machines to the value of \$1,500?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Now, sir, did you ever get those machines back?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever lose them?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever do any business at 204 Liberty Building, 315 St. Charles Street?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Have you ever had any transactions with John S. Waterman?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Have you ever paid him any money?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you pay him any money in 1945?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you pay him any money in 1946?

Mr. PORETTO. I refuse to answer.

The CHAIRMAN. All right, let's get on.

Mr. RICE. Were you partners in this wire-service enterprise Ralph Emory, Frank Capella, Anthony Carollo, Anthony Carollo, and Joseph Marcello, Jr.?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know Carlos Marcello?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know Anthony Marcello?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Did you ever hear of any of these fellows?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Do you know John Fogarty?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Have you ever transacted any business with Fogarty?

Mr. PORETTO. I refuse to answer.

Mr. RICE. Is it not true that in December of 1946 the organization with which you were associated, the Southern News Publishing Co., merged with the Fogarty Daily Press operation?

Mr. PORETTO. I refuse to answer.

The CHAIRMAN. Well, I think we have had enough for this. I think for the record, so that when the matter is being considered by the Senate and court, I should advise you, Mr. Poretto, and your good counsel, Mr. Flanagan, that, if the Senate finds you in contempt and you are convicted, each refusal may constitute, does constitute, a separate offense, so that one can be added on to the other and they don't have to run concurrently.

Do you want to make a general statement about what the purpose of these questions is and what you are undertaking to bring out by this witness, to show the purpose of them?

Mr. FLANAGAN. Mr. Chairman, I believe the record already showed, and I believe it was understood, that the witness' refusal to answer was based on the ground that the answer may tend to incriminate him or that the question was not pertinent to the issue before the committee. Is that correct?

The CHAIRMAN. Yes; that is correct. Let the record show that.

There is quite a long bit of report here; but, according to what we have here, your connections with certain of the so-called Chicago mob, or group, are reputed to have begun at Cicero, Ill., and that you were in Houston, Tex., where you attempted to set up a bootleg wire service, but that you were run out of there; that you had a connection with certain people of the Trans-America Wire Service of Chicago, and that in 1946 formed a corporation—I mean a partnership—with Ralph Emory, Frank Capella, Anthony Carollo, and Anthony Marcello, and Joseph Marcello, Jr., all of whom, or most of whom, are well-known criminal characters, called the Southern News Publishing Co.; that your place got raided and that Mr. Fogarty's place got raided. After that you and he went into business together, or worked out some kind of consolidation—

Mr. FLANAGAN. Mr. Chairman, may I say something at this time?

The CHAIRMAN. Let me finish.

Mr. FLANAGAN. I wanted to say something with reference to the statement you are making.

The CHAIRMAN. That this is an interstate transaction. Also, it has been the intention, I take it, of the committee to ask you about connections with Sam—that is, Anthony—Carollo, and other transactions; also, one including an operation at 1311 Canal Street and 846 Baronne Street. I think perhaps I had better ask the witness if he knows about any operations at 1311 Canal Street.

Do you have any connection with it?

Mr. PORETTO. I refuse to answer the question.

Mr. RICE. Or 846 Baronne Street, New Orleans?

Mr. PORETTO. I refuse to answer that question.

The CHAIRMAN. Or in connection with organized prostitution?

Mr. PORETTO. I refuse to answer that question.

The CHAIRMAN. Or with narcotics?

Mr. PORETTO. I refuse to answer that question.

The CHAIRMAN. And do you run a dope lay-off for a fellow named Anfarò—A-n-f-a-r-o—who has some connection with the Greyhound bus station, or the barber shop there?

Mr. PORETTO. I refuse to answer that question.

The CHAIRMAN. Anything you want to add, Mr. Rice?

Mr. RICE. We would like to know how it was possible to obtain certain subscribers which in 1946 were receiving service from Daily Sports News, that appear to be subscribers of Southern News Publishing Co. Do you know the answer to that?

Mr. PORETTO. I refuse to answer the question.

The CHAIRMAN. Well, that will be all. I just wanted to say to you, Mr. Poretto, that you appear to be one of the worst characters this committee has had before it, and the committee doesn't intend to be defied by the attitude you have taken here today.

Mr. FLANAGAN. Your Honor, as I stated at the beginning, there is no intention of the witness to defy the committee but he desires to stand upon his constitutional privileges.

The CHAIRMAN. As far as what the witness has said it speaks for itself.

No hard feelings to you, Mr. Flanagan. You seem to be a very nice fellow.

Mr. FLANAGAN. Thank you.

(Witness excused.)

#### TESTIMONY OF REV. DANA DAWSON, MUNHOLLAND MEMORIAL METHODIST CHURCH, METAIRIE, LA.

The CHAIRMAN. Reverend Dawson, you do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Reverend DAWSON. I do.

The CHAIRMAN. Reverend, we appreciate having you before the committee. I know something about your work, what you have been trying to do and what you stand for, and we are grateful for your interest in the effort that we have been trying to make, and for your assistance.

Now, Mr. Rice, will you proceed?

Mr. RICE. With what church are you connected, Reverend Dawson?

Reverend DAWSON. Munholland Memorial Methodist Church, Metairie.

Mr. RICE. What parish is that?

Reverend DAWSON. Jefferson Parish.

The CHAIRMAN. I didn't understand the name of the town.

Reverend DAWSON. Metairie; it is a subdivision, a section.

Mr. RICE. What is your home address, Reverend Dawson?

Reverend DAWSON. 232 Elmeer Place.

Mr. RICE. Now, sir, tell us about your experiences in connection with gambling activities in your parish.

Reverend DAWSON. Well, I moved to Jefferson Parish in November 1946, and I had been there only a short time until many people began calling me objecting to the wide-open gambling that exists there, of all forms, and they wanted some organized effort to change that situation and bring law enforcement to the parish, and so with some of the other ministers of the parish and with the help of many of the local citizens we organized a Citizens League of Jefferson Parish with the purpose of bringing law enforcement there where all of us live.

Mr. RICE. All right, sir. Now, do you know a man by the name of Pete Perez?

Reverend DAWSON. Yes.

Mr. RICE. How long have you known him?

Reverend DAWSON. For about 4 years.

Mr. RICE. And what business is he in?

Reverend DAWSON. He is foreman of the dice tables at Club Forest, to the best of my knowledge.

Mr. RICE. Did he tell you that?

Reverend DAWSON. He told me he worked at Club Forest. I don't know whether he gave the specific job he had or not.

Mr. RICE. And the Club Forest is a gambling place?

Reverend DAWSON. On Jefferson Highway in Jefferson Parish.

Mr. RICE. Do you know who the principals in the Club Forest are, or are reputed to be?

Reverend DAWSON. Yes. I believe that a Mr. Al Shorling and——

Mr. RICE. Al Shorling?

Reverend DAWSON. Yes; and I believe two of the Mills brothers.

Mr. RICE. Two of the Mills brothers?

Reverend DAWSON. Henry and Frank, I believe.

Mr. RICE. Henry and Frank. Yes, sir. How about Arthur?

Reverend DAWSON. There are supposed to be four, as I understand it. I don't know whether he is the fourth or not.

Mr. RICE. And these Mills brothers are the ones referred to as being missing. You have heard the names called and who are not present here?

Reverend DAWSON. Yes; they are the same.

Mr. RICE. Now, in connection with the Club Forest, did Perez transact any business with you at the church, or attempt to transact any business?

Reverend DAWSON. As the result of the efforts of the Citizens League of Jefferson Parish, suits were brought against Club Forest and Beverly Country Club.

Mr. RICE. Yes. What type of suits?

Reverend DAWSON. They were the padlock suits. We attempted to close them because they were a nuisance under the State law.

Mr. RICE. Yes.

Reverend DAWSON. When these suits were filed, several people contacted me, and with the idea of compromising the suits, and Mr. Perez was one of this number.

Mr. RICE. Well now, amplify a little bit on that compromising.

Reverend DAWSON. Well, it was suggested that if the suits were not pushed in court that we could get a new Sunday school building built for our church.

Mr. RICE. I see. Now, who was going to build the Sunday school?

Reverend DAWSON. The owners of gambling houses of Jefferson Parish.

Mr. RICE. In other words, then, the money from gambling houses was offered for the purpose of building Sunday schools. Is that correct?

Reverend DAWSON. That is correct.

The CHAIRMAN. How much was going to be spent on the Sunday school referred to, Reverend?



Reverend DAWSON. Well, our particular building, which was built, cost \$30,000.

The CHAIRMAN. You mean the Sunday school that you did build?

Reverend DAWSON. Yes, sir.

The CHAIRMAN. But you built it yourself?

Reverend DAWSON. Yes, sir; and we have a \$40,000 mortgage.

Mr. RICE. Now, who were these people that propositioned you in that fashion?

Reverend DAWSON. Well, the only one I know by name, it would be Mr. Perez.

The CHAIRMAN. Is that Pete Perez?

Reverend DAWSON. Peter A. Perez. And his proposition—

The CHAIRMAN. What is he, anyway?

Reverend DAWSON. He is the gentleman that works at the Club Forest.

The CHAIRMAN. Is he the foreman of the dice tables at Club Forest or something?

Reverend DAWSON. That is my understanding; yes.

The CHAIRMAN. Now then, did he suggest that there would be some way to shut down vice in the parish?

Reverend DAWSON. Well, at a later date, after all attempts were made and had been refused, to get the suits canceled, it was suggested a possibility of a compromise: That if all the gambling should be removed from Metairie, which is principally the parish of my church, that then we would not push the suits any further. And that proposition, of course, was turned down.

Mr. RICE. All right, sir. Did Frank Clancy appear in the picture?

Reverend DAWSON. Yes and no.

Mr. RICE. Who is Frank Clancy?

Reverend DAWSON. He is the sheriff of Jefferson Parish.

Mr. RICE. What did he have to do in this situation?

Reverend DAWSON. In the beginning we appealed to him to enforce the law, but we were unable to contact him either by telephone, registered letter, or by visits to his office, or to his home; and we got no satisfaction from him.

Mr. RICE. Did you ever see him in the company of Pete Perez?

Reverend DAWSON. On one occasion.

Mr. RICE. What was that?

Reverend DAWSON. They came to my office at the church.

Mr. RICE. What transpired then, Reverend?

Reverend DAWSON. It was suggested that since it seemed that the chief interest—that those who were chiefly interested in getting gambling closed in Jefferson Parish lived in Metairie, that if that could be brought about, that possibly there would be no further objections on their part, and again possibly the suits, at least it was implied, that the suits would not be pushed further.

Mr. RICE. Did Clancy tell you anything about getting jobs for his friends in the gambling joints?

Reverend DAWSON. Yes. He said that he, personally, would like to see the place closed because so many people hounded him to give them or their families or friends jobs in the various gambling houses in the parish and it was a nuisance and a bother to him.

Mr. RICE. Did he indicate that any of his deputies were working in any of the gambling joints?

Reverend DAWSON. No; he did not.

Mr. RICE. In connection with Pete Perez, did he ever make any payments to you which he said was money from the Club Forest or other places?

Reverend DAWSON. Not to me, directly.

Mr. RICE. To the church?

Reverend DAWSON. He has made contributions of \$50 or \$75 monthly to the church.

Mr. RICE. Now, what did he tell you in connection with those contributions? Where did they come from?

Reverend DAWSON. He was given a fund of about a thousand dollars a month to spend as he sees fit.

Mr. RICE. Given to him, a thousand dollars a month by the club to spend as he saw fit?

Reverend DAWSON. That is right.

Mr. RICE. This money was part of this fund. Did he have to account for that fund? Did he have to take a receipt?

Reverend DAWSON. No; the money was always cash.

Mr. RICE. The money was always cash. Did he tell you anything about how it was entered on the club books?

Reverend DAWSON. No. It is entered on our books as any other contribution.

Mr. RICE. How about the books of the club? Did he tell you anything about that?

Reverend DAWSON. I don't know whether it is entered there or not.

Mr. RICE. Did he tell you anything about the bookkeeping system at the club?

Reverend DAWSON. You mean as far as receipts are concerned?

Mr. RICE. Yes; whether they have double sets of books or single sets?

Reverend DAWSON. I believe that they do have a book on which the salaries of the employees are recorded.

Mr. RICE. Yes.

Reverend DAWSON. And, as I understand it, the employees receive an additional salary which is not entered in that book.

Mr. RICE. Now, why is that?

Rev. DAWSON. I would imagine it would be because of income tax.

Mr. RICE. Well, now, would it be income tax? Would it affect social security? In other words, the books show they are paying certain figures. As a matter of fact, they are actually paying more. Is that a fair statement.

Reverend DAWSON. I understand that is true.

The CHAIRMAN. How did you get that information? Is that what he told you?

Reverend DAWSON. Yes. Mr. Perez told me that.

Mr. RICE. Did you ever have any indication that the Beverly Club, or Phil Kastel, joined in the contribution to the church?

Reverend DAWSON. On one occasion, Sheriff Clancy brought a contribution to our church for our new educational building, which I understood was to be a personal contribution, but it turned out there was a personal check and in addition there were checks from several of the gambling houses of the parish; one of them was the Beverly Country Club which was signed by Phil Kastel.

Mr. RICE. How about O'Dwyer's?

Reverend DAWSON. Yes; there was one from O'Dwyer.

Mr. RICE. I take it, then, that Sheriff Clancy was a channel or a personally appointed collection agent from, if I might put it that way, several gambling joints for the benefit of the church?

Reverend DAWSON. That is true.

Mr. RICE. That was not at any suggestion of the church? It was purely his own?

Reverend DAWSON. Voluntarily; that's all.

The CHAIRMAN. All right. Do you have anything else?

Mr. RICE. What did Sheriff Clancy tell you about winning a lawsuit, which returned him some monthly income?

Reverend DAWSON. Well, he stated that some years ago he won a lawsuit that paid him a substantial return each month.

Mr. RICE. Do you remember how much that was?

Reverend DAWSON. As I recall, it was \$750.

Mr. RICE. He said he was getting \$750 a month from where?

Reverend DAWSON. As a result of a lawsuit that he had won some years ago.

Mr. RICE. Did he say what the lawsuit was about?

Reverend DAWSON. I believe he did, but I don't remember.

Mr. RICE. Did it involve some property?

Reverend DAWSON. It was, as I recall it—it was a property settlement of some sort. It did have something to do with property.

The CHAIRMAN. Anything else?

Mr. RICE. Did Sheriff Clancy ever tell you how many men he thought he had been instrumental in securing jobs in the gambling places?

Reverend DAWSON. I believe the figure was 2,000.

Mr. RICE. That he felt he had put 2,000 people to work in the gambling places in his parish?

Reverend DAWSON. That is correct.

Mr. RICE. In Jefferson Parish?

The CHAIRMAN. That doesn't mean they are working at once. That is the turn-over.

Reverend DAWSON. As I understand it, most of them are working at the present time.

The CHAIRMAN. Well, how many places do you have out there?

Reverend DAWSON. We have five larger houses. I don't know if anybody knows exactly how many smaller ones.

The CHAIRMAN. You don't mean that 2,000 people are employed in these houses?

Reverend DAWSON. Directly and indirectly; I imagine it would be possible.

Mr. RICE. About how many employees does the Club Forest have?

Reverend DAWSON. I don't know.

The CHAIRMAN. Well, now, the reverend wouldn't be an expert on how many employees the club has.

Mr. RICE. He would know about it, from Pete Perez. Perez works there?

Reverend DAWSON. I don't believe he ever said.

Mr. RICE. Did Pete Perez ever tell you who the "satchelman" was, or how the "ice" was paid or who picked it up? Do you know what I am referring to when I say "ice"?

Reverend DAWSON. Yes.

Mr. RICE. In California they call it "juice."

Reverend DAWSON. Yes. Now, I am not sure whether Mr. Perez told me that or not, but it is more or less common knowledge in the parish that a gentleman named Mr. Paul Cassagne—

Mr. RICE. Yes. What is his function?

Reverend DAWSON. As I understand it, he is the "satchelman," as they say.

Mr. RICE. The "ice" man? Is he the "ice" man?

Reverend DAWSON. He picks up the money and takes it wherever he takes it.

The CHAIRMAN. All right. How was this money going to get to the church for the Sunday school addition?

Reverend DAWSON. We never did get that far, Senator.

The CHAIRMAN. You didn't make any proposal about how the money would get there?

Reverend DAWSON. I always said we would push the suit as far as we could, and that is what was done.

The CHAIRMAN. And that's what you have been doing.

That is a great temptation: to get a Sunday school built, but it wouldn't be much of a Sunday school, would it?

Reverend DAWSON. That's the way we felt about it.

The CHAIRMAN. What happened to the suits?

Reverend DAWSON. They went to the Supreme Court of the State of Louisiana four times. The first time one of the justices died the day after he heard the suit. It was the last one he heard. So they had to be reheard. On two occasions the supreme court decided unanimously in our favor, telling the district judge to rehear the suits; that the law was not unconstitutional as the attorney for the club said.

The CHAIRMAN. You mean the whole court decided that way, unanimously?

Reverend DAWSON. Unanimously; yes, sir. Then, on the last time the court reversed itself, and four of the judges, three of whom had voted unanimously in our favor in the past, voted with a new man who was the fourth one, and reversed themselves, saying that the law was unconstitutional, and, of course, we have no recourse now.

The CHAIRMAN. Well now, that is very interesting. Under what law did you start on?

Reverend DAWSON. I believe it is called the padlock law. I am not sure, exactly.

The CHAIRMAN. And it was tried before a jury?

Reverend DAWSON. It never reached trial. The attorney for the Beverly Club and the Club Forest objected, saying that the law was unconstitutional; his objection was sustained by Judge Leo McCune, the district judge. Then we appealed to the supreme court and the supreme court said that it was constitutional. Then the "merry-go-round" started.

The CHAIRMAN. Then the supreme court sent it back. What happened to it then?

Reverend DAWSON. Judge McCune said, in effect, that the supreme court was wrong.

The CHAIRMAN. And decided against you again?

Reverend DAWSON. That is true.

The CHAIRMAN. And you took another appeal and the supreme court unanimously decided that it was constitutional?

Reverend DAWSON. That is right.

The CHAIRMAN. And it came back to Judge McCune?

Reverend DAWSON. Again he said they didn't know exactly what they were doing, and he threw it out. We went back.

The CHAIRMAN. You went back to the supreme court on the same thing and one new man had gotten on the supreme court?

Reverend DAWSON. That is right.

Mr. RICE. Where was he from?

Reverend DAWSON. I believe he is Justice LeBlanc, from one of the southern parishes: I don't know exactly which one, but near the southern part of the State.

Mr. RICE. Any of the other justices from Jefferson Parish?

Reverend DAWSON. Not that I know of.

The CHAIRMAN. Anyway, let's see. When it got back the third time, four of the justices who had decided it twice in your favor reversed themselves?

Reverend DAWSON. Three. With the new man, who made the fourth. So there were four to three against us that time.

The CHAIRMAN. Four to three against you.

Mr. RICE. Saying that the law was unconstitutional.

Reverend DAWSON. That is correct.

The CHAIRMAN. There is nothing, then, you can do, apparently.

Reverend DAWSON. Not until the next session of the legislature.

The CHAIRMAN. What are you going to do then?

Reverend DAWSON. We propose to get a new law.

The CHAIRMAN. I see. How long has this litigation been going on?

Reverend DAWSON. We started this 4 years ago this month.

The CHAIRMAN. And you got a lot of people interested in it?

Reverend DAWSON. Many people; yes, sir.

The CHAIRMAN. Anything else?

(No response.)

The CHAIRMAN. I think it might be well at this point: We have some of the sections from the Code of the State of Louisiana, to put into the record. Of course, you are not a lawyer, and we are not going to ask you about them. I think they would be of interest.

Thank you very much, Reverend Dawson. Is there anything you want to say to us?

Reverend DAWSON. No, sir; thank you, sir.

The CHAIRMAN. Where did you come from, sir?

Reverend DAWSON. Originally, Oklahoma.

The CHAIRMAN. How long have you been over in Jefferson Parish?

Reverend DAWSON. I have been there—this is my fifth year. Before that I was 4 years in the city of New Orleans.

The CHAIRMAN. Weren't you the president of the Ministerial Association of Greater New Orleans?

Reverend DAWSON. Yes, sir.

The CHAIRMAN. Also, pastor of the Eighth Street Methodist Church in New Orleans?

Reverend DAWSON. Yes, sir; for 4 years.

The CHAIRMAN. And of the Munholland Memorial Methodist Church?

Reverend DAWSON. Yes, sir.

Mr. RICE. That is where you are now?

Reverend DAWSON. Yes, sir.

The CHAIRMAN. How old are you?

Reverend DAWSON. Thirty-three.

The CHAIRMAN. Well, you have had a great record for your age.

Reverend DAWSON. Thank you.

(Witness excused.)

(The document last referred to by the chairman was marked "Exhibit No. 14" and is on file with the committee, being in words and figures as follows, to wit:)

#### EXHIBIT No. 14

### LOUISIANA LAW ON GAMBLING

#### GAMBLING PROHIBITED

##### *Louisiana Revised Statutes of 1950, title 14, section 90*

Gambling is the intentional conducting, or directly assisting in the conducting, as a business, of any game, contest, lottery, or contrivance whereby a person risks the loss of anything of value in order to realize a profit. Whoever commits the crime of gambling shall be fined not more than \$500, or imprisoned for not more than 1 year, or both.

#### EXPLANATION

The above law is an identical reproduction of article 90 of act 43 of 1942 (Louisiana Criminal Code, now repealed). The jurisprudence thereunder shows that the crime of gambling is committed only when the operator charged does such as a profit enterprise. Any type of wagering offered on a limited or general basis to the public is illegal under this law. It is not necessary that the gambling operation be the main business of the offender. It may be a side line. Possession of gambling devices is not illegal hereunder. The use thereof for a profit is illegal. This statute is comprehensive and has been held, by the by the Louisiana Supreme Court, to prohibit lotteries, bookmaking, dice tables roulette, banking games, slot machines, card games, etc.

See notes to former Louisiana Criminal Code, section 740-790. Also *State v. Davis* (208 Louisiana 954, 23 So. (2) 801).

#### SLOT MACHINES

##### *Louisiana Revised Statutes of 1950, title 15, section 26.1*

All officers of the State of Louisiana are hereby authorized and empowered and it is made mandatory and compulsory on their part, to confiscate and immediately destroy all gambling devices known as slot machines that may come to their attention, or that they may find in operation.

#### EXPLANATION

This law is a reenactment of Act 231 of 1928 of Louisiana Legislature. The jurisprudence thereunder requires the destruction of the machines, whether in operation or not, even while in storage. This law applies to all machines which have an automatic payoff or where the owner pays off over the counter on symbols indicated on the machine. It applies to pinball machines so used. A sheriff who fails to enforce this law is subject to removal from office under the constitution of the State.

See *Jennings & Co. v. Maestri* (97 F. (2) 679, 22 F. Supp. 980); *Schimpf v. Thomas* (204 La. 541, 15 So. (2) 880); *State v. Ricks* (41 So. (2) 232, 215 La. 602).

### CONSTITUTION, STATE OF LOUISIANA

#### *Article 19, section 5*

Gambling is a vice and the legislature shall pass laws to suppress it.

The CHAIRMAN. We will have to have a session tonight, and we will stand in recess until 8 o'clock, and we will carry on until about 10:15.

The committee stands in recess.

(Whereupon, at 5:45 p. m., the hearing was recessed until 8 p. m.)

## NIGHT SESSION

(Pursuant to the recess, the subcommittee reconvened at 8 p. m., Thursday, January 25, 1951.)

The CHAIRMAN. The committee will come to order.

I should have stated earlier, we are very delighted to have Mr. Mitchell, the assistant district attorney, to sit with us during these proceedings.

Who is our first witness, Mr. Rice?

Mr. RICE. Phil Kastel.

The CHAIRMAN. Let's have Mr. Moran first. I told him I would put him on.

(Mr. Moran was not present.)

The CHAIRMAN. Then tell Mr. Kastel to come in.

I am sorry, sir; we promised Mr. Moran we would put him on first, but he does not seem to be here.

**TESTIMONY OF PHILLIP FRANK KASTEL, METAIRIE, NEW ORLEANS, LA., ACCOMPANIED BY JAMES O'CONNOR, JR., ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Kastel, will you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KASTEL. I do.

The CHAIRMAN. What is your name, Counsel?

Mr. O'CONNOR. My name is James O'Connor, Jr. I am counsel for Mr. Kastel.

The CHAIRMAN. We are glad to have you with us, Mr. O'Connor.

Mr. O'CONNOR. Thank you, sir.

The CHAIRMAN. Will you sit down?

Mr. O'CONNOR. I believe I spoke to you, Senator, about the return on the subpoena before I left today, and I spoke to Mr. Rice.

Mr. RICE. If anything comes up with respect to those, we will take it.

The CHAIRMAN. Mr. O'Connor, suppose you come around here just a second.

(Short conference at the bench off the record.)

Mr. O'CONNOR. Senator, may I at this time make a statement?

The CHAIRMAN. Yes, indeed, Mr. O'Connor.

Mr. O'CONNOR. I don't desire to delay this hearing, but the other day the district attorney for the parish of Orleans requested permission to take testimony of the various witnesses that appeared before this committee. I understand that he wrote this committee—Mr. Rice, or some member of this committee. The papers carried that.

Mr. RICE. What is this again?

Mr. O'CONNOR. That the district attorney of the parish of Orleans requested of the officers of this committee, Mr. Rice, permission for his office to take the testimony of the various witnesses that appeared before this committee.

The CHAIRMAN. Are you talking about the State's attorney?

Mr. O'CONNOR. Yes, sir.

Mr. RICE. That is the first time I have heard of that.

Mr. O'CONNOR. That appeared in the papers.

The CHAIRMAN. Mr. Rice says he has heard nothing about it. I have heard nothing about it.

Of course, this is an open hearing. As you very well know, our purpose is not a grand jury purpose or prosecution, and the Federal statute specifically provides that the questions and answers and the testimony given here cannot be used against the witness.

Mr. O'CONNOR. I am well aware of that, Senator, but if that letter was written I would like that letter to be made a part of the testimony of Mr. Kastel, and the answer of this committee. I understand this committee wrote him a letter, Mr. Klein, your publicity man, wrote him a letter, stating that they would be glad to have him have his stenographer appear before this committee and take that testimony.

That appeared in the paper, and I would like the letter written by Mr. Darden or the oral request made by Mr. Darden made a part of Mr. Kastel's testimony, and the answer thereto, sir.

The CHAIRMAN. All right, the letter and the answer. As far as I know, nobody is taking the testimony except the official reporter of the committee.

Mr. O'CONNOR. One more thing, sir: I want to make the general objection that has been made to it throughout the entire day as to the lack of a quorum.

The CHAIRMAN. That will be noted.

Mr. O'CONNOR. After Mr. Kastel gives his name and address he would like to have a short statement made for the record, if you will give him that permission.

The CHAIRMAN. Very well. We will let the record show that objection has been made to the proceedings on the ground of lack of quorum.

At this place in the record we will again read into the record the resolution adopted by the committee authorizing this subcommittee to sit and to take testimony.

(The resolution referred to is as follows:)

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE

*Resolved*, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of whom one member shall be a quorum for the purpose of taking testimony and all other committee acts, to hold hearings at such time and places as the chairman might designate, in furtherance of the committee's investigations of organized crime, in the vicinities of the cities of Tampa, Fla., and New Orleans, La.

ESTES KEFAUVER, *Chairman*.  
HERBERT R. O'CONNOR.  
LESTER C. HUNT.

The CHAIRMAN. Your name is Phillip Frank Kastel?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. 311 North Line, New Orleans.

Mr. KASTEL. Metairie, New Orleans, suburb.

The CHAIRMAN. New Orleans?

Mr. KASTEL. That is a suburb in Jefferson Parish.

The CHAIRMAN. Mr. O'Connor, give us your address first, please.

Mr. O'CONNOR. My home?

The CHAIRMAN. No; your business address.

Mr. O'CONNOR. 200 Civil District Court.

The CHAIRMAN. Yes. You read any statement or make any statement you wish to make, Mr. Kastel.



Mr. KASTEL. Thank you.

Mr. Chairman and members of the Special Senate Committee To Investigate Organized Crime in Interstate Commerce:

I am appearing here today in response to a subpoena of this honorable body, served upon me on the 13th day of January 1951, directed to me and commanding me to appear and testify upon such matters and subjects as set forth in said subpoena.

With due deference to this committee and the honorable gentlemen composing it, before answering any questions which may be propounded to me herein, I am taking the liberty of making the following statement, to wit—

The CHAIRMAN. We will let the subpoena be made a part of the record also. We have the original here which has been served.

Mr. KASTEL. All right. Served upon me the 13th day of January 1951; directed to me and commanding me to appear and testify upon such matters and subjects as set forth in said subpoena.

With due deference to this committee and the honorable gentlemen composing it, before answering any questions which may be propounded to me herein, I am taking the liberty of making the following statement, to wit:

Inasmuch as the conduct and line of questioning, by counsel for the committee, in previous hearings of this body, have sought repeatedly to connect my name with other witnesses, or future witnesses, and partake of the nature of a grand jury investigation, seeking to implicate appearers in violations of any and all laws of the United States and those of the several States of the United States;

And inasmuch as the attorneys general of the several States have been invited to attend and partake in these hearings:

And, furthermore, as testimony and evidence adduced at previous hearings of this committee have been used and made the basis for indictments, bills of information, and prosecutions in various of the several States of the United States, I shall reserve all of my rights under the Constitution of the United States and under the Constitution of the State of Louisiana, and while answering all questions which I consider proper and pertinent herein, I shall refuse to answer any questions which I believe would tend to incriminate me under any law of the United States or of any of the several States.

I do not make this statement in any spirit of antagonism, nor do I desire to hamper or hinder the work of this committee. However, I respectfully state that I intend to reserve and preserve every right guaranteed to me under the Constitution of the United States and the Constitution of the State of Louisiana.

Mr. O'CONNOR. May I offer this and file this in evidence?

The CHAIRMAN. It will be filed as exhibit No. 15 and made a part of the record.

(The paper referred to was identified as exhibit No. 15, and is on file with the committee.)

Mr. O'CONNOR. Thank you.

The CHAIRMAN. May I ask you who prepared that statement?

Mr. KASTEL. I helped to prepare it. I consulted with Mr. O'Connor and we prepared it together.

The CHAIRMAN. All right, as long as you have what we think is a legitimate objection to any testimony: We are not here to try to

smear you or do you any wrong. We are here to try to get any information we think we need.

Mr. KASTEL. Thank you.

The CHAIRMAN. Will you proceed, Mr. Rice?

Mr. RICE. What was your name at the time you were born?

Mr. KASTEL. Phillip Kastel.

Mr. RICE. How do you spell that?

Mr. KASTEL. K-a-s-t-e-l.

Mr. RICE. Any other names?

Mr. KASTEL. No, sir.

Mr. RICE. Have you ever used any other names?

Mr. KASTEL. I might have.

Mr. RICE. What were some of the other names you might have used? (Pause.)

Did he answer?

Mr. KASTEL. No, I did not answer. I am just trying to think.

The CHAIRMAN. Well, you have used an alias, and you think about it. We will ask you about it later on.

Mr. KASTEL. Yes. All right.

Mr. RICE. You have used other names?

Mr. KASTEL. I would not say so.

Mr. RICE. Would you say you have not used other names?

Mr. O'CONNOR. He said he would not say so. The Senator said suppose you come back to that question later.

The CHAIRMAN. All right, we will come back to that later.

Mr. RICE. All right, sir. Where were you born?

Mr. KASTEL. New York.

Mr. RICE. In what year?

Mr. KASTEL. 1898.

Mr. RICE. In New York City?

Mr. KASTEL. Yes, sir.

Mr. RICE. Did you live in Connecticut?

Mr. KASTEL. Yes, sir.

Mr. RICE. And what was your business in Connecticut?

Mr. KASTEL. I was in the liquor business.

Mr. RICE. What year was that, or what years?

Mr. KASTEL. I would say in 1933, around there.

Mr. RICE. 1933.

The CHAIRMAN. May I ask counsel, and also Mr. Kastel—excuse me, Mr. Rice.

Mr. Kastel, you know generally the matters we want to ask you about. Do you want to tell your own story and then we will ask you questions about it?

Mr. KASTEL. I just don't know what you want me to say, Senator.

The CHAIRMAN. Well, we want to know about what you did in Connecticut, and whether you were in the coin-machine business there, who you were associated with.

Mr. KASTEL. I was not in the coin-machine business.

The CHAIRMAN. Well, whether you were or not, how you got to New Orleans, what you have been doing here, and who you do business with, and what your business enterprises here are. Do you want to tell us narratively the story rather than ask specific questions?

Mr. O'CONNOR. May I answer that as his counsel?

The CHAIRMAN. Yes.

Mr. O'CONNOR. We would rather you ask the questions.

The CHAIRMAN. Very well. We will proceed as we were.

Mr. RICE. All right, sir. During prohibition what were you doing?

Mr. KASTEL. I respectfully refuse to answer on the ground that the question may tend to incriminate me.

Mr. RICE. Were you connected with a man by the name of Rothstein during prohibition?

Mr. KASTEL. No, sir.

Mr. RICE. Do you know a man by the name of Rothstein?

Mr. KASTEL. I knew a man.

Mr. RICE. Were you associated with him in any enterprise?

Mr. KASTEL. No, sir.

Mr. RICE. What became of him? What became of Rothstein?

Mr. KASTEL. I think the man is dead.

Mr. RICE. Do you know how he died?

Mr. KASTEL. That is public property. He was shot.

Mr. RICE. Was that not Arnold Rothstein?

(No response.)

Mr. RICE. Now, sir, you have said, during prohibition you refused to answer what you were doing.

The CHAIRMAN. He said he was in the liquor business.

Mr. RICE. Now, then, when you got into the liquor business in Connecticut in the 1930's, was that the first time you were in the liquor business?

Mr. KASTEL. I didn't say I was in the liquor business in Connecticut. I lived in Connecticut.

Mr. RICE. What business were you in when you lived in Connecticut?

Mr. KASTEL. I am going to decline to answer that question on the ground that it may tend to incriminate me.

Mr. RICE. Were you—

The CHAIRMAN. Just a minute. I will have to direct you to answer the question, Mr. Kastel.

Mr. O'CONNOR. Well, we would like you to specify in which years in Connecticut.

The CHAIRMAN. Well, I suppose this was prior to 1935. Were you in the liquor business when you lived in Connecticut prior to 1935?

Mr. KASTEL. I was in the liquor business right after repeal. That must have been in 1933, I believe.

Mr. RICE. What was the name of your business?

Mr. KASTEL. The Alliance Distributors.

Mr. RICE. This was prior to 1935?

Mr. KASTEL. I believe so; yes.

Mr. RICE. With whom were you associated in the Alliance Distributors?

Mr. KASTEL. The William Whitely Co., Glasgow.

Mr. RICE. In Glasgow, Scotland?

Mr. KASTEL. Yes.

Mr. O'CONNOR. May I suggest, Senator, that that is not pertinent to the issues involved in the Senate resolution.

The CHAIRMAN. Well, it might be, Counsel, by way of background.

Mr. O'CONNOR. We would like to know, if it is, and your ruling on it; not if it "might be." I say that with all due respect to you, Senator. We would like to know if it is, your ruling on it; and if it is then we

are called upon to answer. We don't think that it should "might be"; we think it should be. When I say these things, Senator, I say it with all due respect to the dignity of your office. It is just an attorney trying to defend his client's rights.

The CHAIRMAN. Yes, sir; I do understand.

Mr. O'CONNOR. Thank you.

The CHAIRMAN. Well, then, I will rule that the question is in line with the investigation we are making.

Mr. O'CONNOR. Thank you, sir.

Mr. RICE. Now, sir, who were some of the individuals connected with Alliance Distributors in this country with you?

Mr. KASTEL. I was not an officer of the Alliance Distributors.

Mr. RICE. What was your job?

Mr. KASTEL. My job, I was a good-will agent for the distillery in Scotland.

Mr. RICE. I see. In connection with that good will what were your particular duties?

Mr. KASTEL. Travel throughout the country, and try to popularize the brands.

Mr. RICE. Was Frank Costello also a good-will agent?

Mr. KASTEL. No, sir.

Mr. RICE. Was he connected with the company?

Mr. KASTEL. No, sir.

Mr. RICE. Are you quite certain of that?

Mr. KASTEL. Positive.

Mr. RICE. Now, sir, did you have financial interest in that company?

Mr. KASTEL. In the European company; yes.

Mr. RICE. And what was the extent of your financial interest in the European company?

Mr. KASTEL. It was substantial.

Mr. RICE. To what extent?

Mr. KASTEL. I could not tell you offhand. It is some years ago.

Mr. O'CONNOR. I don't like to object every minute. We have answered that we have an interest in it. Now how much we had in it I don't think has anything to do with it.

The CHAIRMAN. I rather agree with you. A substantial interest in the William Whately Co. of Glasgow, Scotland. A substantial interest: is that correct?

Mr. O'CONNOR. Yes, sir.

Mr. RICE. Did you not endorse a note along with Frank Costello in the amount of \$325,000 in connection with this company, payable to William Helis, New Orleans?

Mr. KASTEL. I endorsed a note; yes.

Mr. RICE. Along with Frank Costello?

Mr. KASTEL. I endorsed it myself.

Mr. RICE. Didn't Frank Costello also endorse the note?

Mr. KASTEL. At another time, I believe.

Mr. RICE. The same note?

Mr. KASTEL. I believe so.

Mr. RICE. All right, sir. Now, then, what was Costello's interest in endorsing that note?

Mr. KASTEL. Just a friendly interest.

Mr. RICE. Was there any security for the note?

Mr. KASTEL. Yes; there was collateral.

Mr. RICE. What was the collateral?

Mr. KASTEL. Liquor, whisky.

Mr. RICE. So that, in effect, you and Costello shared in the collateral?

Mr. KASTEL. No; Costello had nothing to do with the collateral.

Mr. RICE. What collateral did Costello have in connection with his?

Mr. KASTEL. You will have to ask Mr. Costello.

Mr. RICE. Don't you know?

Mr. KASTEL. I do not.

Mr. RICE. What was your collateral?

Mr. KASTEL. My endorsement?

Mr. RICE. Your collateral; your security in the event the note became in default?

Mr. KASTEL. Well, at a later date the president of the company put some liquor up, or whisky, for collateral.

Mr. RICE. As security?

Mr. KASTEL. As security.

Mr. RICE. Who was the president of that company?

Mr. KASTEL. A man by the name of Irving Haim.

Mr. RICE. Now, the note was actually executed by Irving Haim, was it not, and the company and you and Costello endorsed it?

Mr. KASTEL. It's so long ago, I would not remember.

Mr. RICE. How long had you known Costello? When did you first meet him?

Mr. KASTEL. Oh, possibly twenty-some-odd years ago.

Mr. RICE. Twenty-some-odd years ago. Would you say it was in the 1920's?

Mr. KASTEL. I would say the latter part of the 1920's; yes, sir.

Mr. RICE. What were the circumstances of your meeting Costello?

Mr. KASTEL. I could not remember.

Mr. RICE. You don't remember where you met him?

Mr. KASTEL. No.

Mr. RICE. During the 1920's did you engage in any enterprise with Costello?

Mr. O'CONNOR. Suppose you specify, Counsel.

Mr. RICE. Any business enterprise, any legitimate enterprise?

Mr. KASTEL. No. My answer is "No."

Mr. RICE. Any illegitimate enterprises? [Pause.]

The CHAIRMAN. What is your answer, Mr. Kastel?

Mr. KASTEL. It is so long ago I don't remember, Mr. Senator. I don't believe I engaged in any enterprises in the 1920's with Mr. Costello.

Mr. RICE. Were you in the bootleg business with him?

Mr. KASTEL. I refuse to answer on the ground that it may tend to incriminate me.

Mr. RICE. Now, sir, are you under an indictment?

Mr. KASTEL. I am not.

Mr. RICE. The offense that you have in mind—

The CHAIRMAN. Well, the bootleg business back in the 1920's certainly would not—I guess the statute of limitations would have to run on that.

Mr. O'CONNOR. Well, as a matter of fact—

Mr. RICE. Did you engage in the bootlegging business with Frank Costello during the 1920's?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

The CHAIRMAN. You will be ordered to answer that question.

Mr. O'CONNOR. Respectfully decline.

The CHAIRMAN. Just say you refuse or——

Mr. KASTEL. I respectfully decline.

The CHAIRMAN. Okay.

Mr. RICE. Do you refuse on the ground that the offense is a State or Federal offense?

Mr. O'CONNOR. I don't think we have to answer that statement, inasmuch as you have ordered us to answer the question. We decline to answer on the grounds we don't have to elucidate that point and continue on after that point. You ordered us and we refuse. That ends it.

The CHAIRMAN. I think we understand. If it is a State offense he has no right to refuse to answer. If it is a Federal offense, under proper conditions he may refuse to answer it.

Mr. RICE. Did you own the property in High Ridge, Conn.?

Mr. KASTEL. Yes.

Mr. RICE. Was that a residence?

Mr. KASTEL. Yes.

Mr. RICE. And what was that valued at? At what value would you place that?

Mr. KASTEL. I couldn't say.

Mr. RICE. Would you say it was \$150,000?

Mr. KASTEL. I could not put the value on it at this time.

Mr. RICE. Could it have been over \$100,000?

Mr. KASTEL. I couldn't say.

The CHAIRMAN. All right.

Mr. RICE. What is the closest you could come?

Mr. KASTEL. I would not want to guess.

Mr. RICE. Could you come within \$100,000?

The CHAIRMAN. Let's just say it was a very valuable piece of property.

Mr. O'CONNOR. May we also ask the purpose of that question?

The CHAIRMAN. Well, it is to show, I think—it has a good purpose, to show what capital he had to start with.

Mr. O'CONNOR. That is why we declined to answer the question relating to the earlier days.

The CHAIRMAN. All right.

Mr. RICE. All right, sir. When did you first come to Louisiana?

Mr. KASTEL. About 1935.

Mr. RICE. About 1935?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir. Have you been here ever since?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now, then, when you came to Louisiana did you go into business in the Bayou Novelty Co.?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

The CHAIRMAN. You will be directed to answer that question, Mr. Kastel.

Mr. KASTEL. I respectfully decline to answer it.

The CHAIRMAN. Then tell us what you came to Louisiana for, what business you went into, and who got you to come.

Mr. O'CONNOR. We would rather that the counsel for the committee propound that question to us, Senator.

The CHAIRMAN. All right.

Mr. RICE. Were you connected with the Bayou Novelty Co. at any time?

Mr. KASTEL. What is the question?

Mr. O'CONNOR. He says, Were you connected with the Bayou Novelty Co.?

The CHAIRMAN. All right; what is the answer?

(No response heard.)

The CHAIRMAN. We have got to get along, gentlemen. Let's either get the questions and get the answers or your refusal to answer. The question is, Were you connected with the Bayou Novelty Co. in Louisiana?

Mr. KASTEL. My answer is "Yes."

The CHAIRMAN. All right.

Mr. RICE. All right, sir. What was your connection?

Mr. KASTEL. I just don't quite understand the question. What do you mean about my connection?

Mr. RICE. Did you have an interest in the Bayou Novelty Co.?

Mr. O'CONNOR. You asked him that and we said "Yes"; we were connected with it.

Mr. RICE. Did you have an interest in it, a financial interest?

Mr. KASTEL. I did.

Mr. RICE. Did you own stock?

Mr. KASTEL. It was not a stock company.

Mr. RICE. What type of company was it?

Mr. KASTEL. It was a partnership.

Mr. RICE. Who were the other partners? Were you a partner?

Mr. KASTEL. Yes; I was a partner.

Mr. RICE. Who were the other partners? [Pause.] Were they not G. R. Brainard, Dudley Geigerman, and Harold Geigerman?

Mr. KASTEL. That is correct.

Mr. RICE. All right, sir. What has become of Brainard?

Mr. KASTEL. He is dead.

Mr. RICE. Now, then, did anyone share Brainard's interest? Did Jimmy Moran, alias Brocato, share Brainard's interest?

Mr. KASTEL. I could not say offhand. I would have to see the records.

Mr. RICE. Is it possible that Moran had a half-interest in Brainard's interest?

Mr. KASTEL. Mr. Moran is here. I'd rather you ask him the question.

Mr. RICE. You say that you were a partner, sir.

Mr. KASTEL. Right.

Mr. RICE. The question is directed to you: Did Moran have an interest in Brainard's interest?

Mr. KASTEL. I don't know.

Mr. RICE. Now, sir, what was the distribution of the partnership? What percentage did each partner have?

Mr. KASTEL. I would not answer that question offhand without the records.

Mr. RICE. Do you have access to the records?

Mr. KASTEL. I believe I have.

Mr. RICE. Where are the records?

Mr. KASTEL. We have them stored away, sir, somewhere.

Mr. RICE. And they can be located?

Mr. KASTEL. I believe so.

Mr. RICE. Now, sir, who are the Geigermans? Are they related to Frank Costello?

Mr. KASTEL. That is correct.

Mr. RICE. In what way?

Mr. KASTEL. By marriage.

Mr. RICE. Is it not true that Loretta Costello is a Geigerman, her maiden name was Geigerman?

Mr. KASTEL. That is correct.

Mr. RICE. Costello's wife?

Mr. KASTEL. That is right.

Mr. RICE. Did Costello have any interest in the Bayou Novelty Co.?

Mr. KASTEL. I could not answer that question.

Mr. RICE. Is it not true that Costello had a 50 percent interest in your interest? He had half of your interest?

Mr. KASTEL. I believe it was a joint venture.

Mr. RICE. Between yourself and Costello?

Mr. KASTEL. I believe so; yes, sir.

Mr. RICE. So that you and Costello were 50-50 in your share?

Mr. KASTEL. That is right.

Mr. RICE. All right, sir. What was the business of the Bayou Novelty Co.?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. Was it not a slot machine distributing company?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

The CHAIRMAN. Operating slot machines in 1940, or now, is not a violation of the Federal law.

Mr. O'CONNOR. Perhaps not.

The CHAIRMAN. So I will have to direct that you answer the question.

Mr. O'CONNOR. No. It is a law in the parish of Orleans, may it please Your Honor, and it is not only that, it is part of the income-tax scheme that the defendants in this proceeding were brought before hearing in an income-tax case and there are other things that may grow out of them.

Now we have answered you honestly and sincerely to the extent that we may be—

The CHAIRMAN. Well, we are—

Mr. O'CONNOR. Please let me finish, Senator, if you don't mind. I know that you have a lot of business to attend to on your hands, but after all, I am here in the position of attorney, and I am going to try to defend my client. Thank you, sir.

Now you have asked us certain questions. We have answered that we belonged in there, that we were partners, other people are partners, and I think we have given you the information, and you have the books, and we are willing to give you the books, but when you ask



us up to a question where we think that it may tend to incriminate, I say to you, sir, in all fairness, that we should not be forced to answer that question.

The CHAIRMAN. Well, the only thing is, I was trying to see how—  
Mr. O'CONNOR. Because even in the Halls of Congress—

The CHAIRMAN. Of course, Mr. Counsel, the law is, I think that you will agree with me, that whatever privilege the witness has, and we want him to have all the privileges that the law entitles him to—

Mr. O'CONNOR. Under your law, sir, you only can give him partial immunity.

The CHAIRMAN. Well, it is not for— He has no privilege to refuse to answer something that might incriminate him under the State law.

Mr. O'CONNOR. We claim under that—

The CHAIRMAN. That has been definitely held by several—

Mr. O'CONNOR. We claim, sir, under the Federal laws and State laws. Under what immunity we claim it is, we don't have to elucidate that.

The CHAIRMAN. That is all right. We don't ask you to elucidate that—

Mr. O'CONNOR. Thank you, sir.

The CHAIRMAN (continuing). Except this has been a considerably long time ago. I don't know under what Federal laws it might tend to incriminate your client. Anyway, shall we have an agreement that if your client refuses to answer it, it is on the ground that it might tend to incriminate him, without stating that, and unless I otherwise direct, Counsel, it will be considered that I directed your client to answer in case he refused to answer?

Mr. O'CONNOR. That is correct, sir.

The CHAIRMAN. Is that all right with you, Mr. Kastel?

Mr. KASTEL. Yes, sir.

Mr. O'CONNOR. Except in points that might be going a little far afield, and I also reserve the right, may it please Your Honor, to object—

The CHAIRMAN. Yes; that is agreeable.

Mr. O'CONNOR. Is that understood?

The CHAIRMAN. That is understood.

Mr. O'CONNOR. Thank you, sir.

The CHAIRMAN. All right; let's get on as quickly as we can, now.

Mr. RICE. Did not the Bayou Novelty Co. purchase some 1,200 slot machines from the Mills or Jennings Co. in Chicago?

Mr. KASTEL. Would you mind repeating the question?

Mr. RICE. Did not the Bayou Novelty Co. buy some 1,200 slot machines from either the Mills or Jennings Co. in Chicago for shipment to Louisiana?

Mr. KASTEL. I refuse to answer that question, sir, on the grounds it may tend to incriminate me.

The CHAIRMAN. Well, did it buy slot machines and what did it do? That is what we want to know. I don't care about how many. Did it buy any slot machines?

Mr. O'CONNOR. He wants to know whether the Bayou Novelty Co. bought any slot machines.

Mr. KASTEL. I believe they did.

Mr. RICE. All right, sir. How many machines did they buy?

Mr. KASTEL. I could not say.

Mr. O'CONNOR. I think that the Senator, just before that——

The CHAIRMAN. All right, we won't ask that.

Mr. O'CONNOR. Said he was only interested in whether or not they bought them; not how many.

The CHAIRMAN. I will keep faith with you.

Mr. O'CONNOR. I am trying to cooperate with you.

The CHAIRMAN. I will keep faith with you. I said I was not interested in how many. Mr. Kastel said they bought some machines. We won't ask you how many. From that point, go ahead.

Mr. RICE. Did you or do you have any interest, either directly or indirectly, in the Mills Co., manufacturers of slot machines, in Chicago?

Mr. KASTEL. My answer is "No."

Mr. RICE. Do you have any interest either directly or indirectly in the Jennings Co., manufacturers of slot machines?

Mr. KASTEL. The same answer.

Mr. O'CONNOR. "Same answer." By that you mean "No"?

Mr. KASTEL. I mean "No."

Mr. RICE. Now, sir, when these machines were delivered to New Orleans what was done with them?

Mr. KASTEL. I couldn't answer that.

Mr. O'CONNOR. You have a right to decline.

Mr. KASTEL. I decline to answer that question, sir, on the same grounds; on the grounds it may tend to incriminate me.

Mr. RICE. Now, sir, is it not true that on January 8, 1934, the National City Bank of New York received authorization from the Mills Novelty Co. to transfer \$75,000 from their account to the account of Phil Kastel in the Sterling Bank in connection with a slot machine deal?

Mr. O'CONNOR. Have you got a copy—may I see that, if you have that there, sir? Have you anything there that supports that? May I see that if you have it to show my client to see if he can answer that?

Mr. RICE. Let's see if he can answer it without seeing it.

Mr. O'CONNOR. No, sir. We decline to answer that unless this committee shows us that. I think we are entitled to that, Senator.

The CHAIRMAN. Well, I may tell you, Mr. O'Connor, that what counsel is reading from is a memorandum of this committee and it seems to be no official document.

Mr. O'CONNOR. You mean it is a memorandum, with no official document from the Mills Co.?

The CHAIRMAN. It is a memorandum, apparently taken from the books of the Mills Co. and the National City Bank, giving the date of it, and what-not, of the loan and the transfer.

Mr. O'CONNOR. Has he a photostat of it, sir? I think we are entitled to see that, sir, for the purpose of looking it over and refreshing our memory. He is asking a question here about 1934.

The CHAIRMAN. Mr. O'Connor, after all, counsel is asking the witness a question. The witness either knows whether this is true or he doesn't know, or if he does not know, why, let him make any explanation he wants to about it.

Mr. O'CONNOR. That is correct, Senator.

Mr. CHAIRMAN. But I have never heard where it is necessary to get a certified copy of something before you could ask a question.

Mr. O'CONNOR. All right, sir. Go ahead and proceed but I object to the question. I would like the objection to be registered.

Mr. RICE. All right, sir. In 1934, did you, Philip Kastel, draw a check to the Mills Novelty Co. in the amount of \$50,000 on the National City Bank?

(No response.)

Mr. RICE. A certified check.

Mr. KASTEL. It is so long ago I cannot remember what happened in 1934.

Mr. RICE. Is it possible?

Mr. KASTEL. It is possible if you have a copy of the check.

The CHAIRMAN. Read the first part of the question to which he said he did not know.

Mr. RICE. Is it possible if we have a check, then, that on January 24, 1934—

Mr. KASTEL. If you have a photostatic copy of a check. How can I remember 15 years ago? I can't remember what I did 2 weeks ago.

Mr. RICE. Well, it is possible, then.

The CHAIRMAN. Mr. Kastel, after all, \$50,000 even 15 years ago was a lot of money, you know.

But now, what was the first part, about 1934? Let's ask about that.

Mr. RICE. In 1934, on January 8, were you connected in a negotiation whereby the National City Bank received authorization from the Mills Novelty Co. to transfer \$75,000 from their account to the account of Philip Kastel in the Sterling Bank?

Mr. O'CONNOR. For what purpose?

The CHAIRMAN. Well, I believe that is the question: The question has been asked.

Mr. RICE. That is what we would like to know: the purpose.

The CHAIRMAN. Is that true or not, or do you know?

Mr. O'CONNOR. We would like to know, Your Honor, what you are trying to—

The CHAIRMAN. Mr. O'Connor, the question is very clear. He knows whether there was a transaction of that sort or not. If he wants to tell about it let him tell about it.

Mr. KASTEL. I would have to consult with the Mills people to find out and refresh my memory. I can't tell you offhand.

Mr. RICE. Now, sir, you did have some transactions with the Mills Co., didn't you?

Mr. KASTEL. Not with the Mills Co.; no. I have had some transactions with the Mills Co. This particular transaction you are referring to I can't say. I would have to refresh my memory.

Mr. RICE. How will you refresh your memory, sir?

Mr. KASTEL. I would have to call one of the Mills and ask them about it.

Mr. RICE. I see, whatever they say.

Mr. KASTEL. We will talk about it and see if they can refresh my memory. I am not trying to parry. I am serious about it, if I can answer the question truthfully, I will answer it. You don't want me to guess at it?

Mr. RICE. Now, sir, were the slot machines obtained from the Mills Co. distributed in New Orleans?

Mr. KASTEL. What was the question again, please?

Mr. RICE. The slot machines that were received from the Mills Co.: did you put them in locations in the city of New Orleans?

Mr. KASTEL. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. In 1935, did you place machines in the city of New Orleans?

Mr. KASTEL. I refuse to answer that question on the grounds that that question may tend to incriminate me.

Mr. RICE. All right, sir. Do you recall the Pelican Novelty Co.?

Mr. KASTEL. Yes; I do.

Mr. RICE. Did you have an interest in the Pelican Novelty Co.?

Mr. KASTEL. I did.

Mr. RICE. What was that interest?

Mr. KASTEL. I can't tell you offhand without looking at the record.

Mr. RICE. All right, sir. Was that a company or partnership?

Mr. KASTEL. I believe that was a partnership.

Mr. RICE. And who were the partners?

Mr. KASTEL. I will have to look at the records.

Mr. RICE. Were you a partner?

Mr. KASTEL. I believe I was.

Mr. RICE. Was Jimmy Moran a partner?

Mr. KASTEL. You would have to ask Moran.

Mr. RICE. I am asking you.

Mr. KASTEL. I can't say.

Mr. RICE. Who were the other partners?

Mr. KASTEL. I can't say.

Mr. RICE. Was one of them Dudley Geigerman?

Mr. KASTEL. I can't say.

Mr. RICE. Didn't Dudley Geigerman manage the Pelican Novelty Co.?

Mr. KASTEL. He might have managed it; yes.

Mr. RICE. He is the man you referred to as the brother-in-law of Frank Costello?

Mr. KASTEL. That is correct.

Mr. RICE. What functions did you have with the Pelican Novelty Co.? What were your duties?

Mr. KASTEL. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. Weren't you the manager before Dudley Geigerman?

Mr. KASTEL. I refuse to answer that questioning on the grounds that it may tend to incriminate me.

Mr. RICE. Did the Pelican Novelty Co. handle slot machines?

Mr. KASTEL. I refuse to answer the question on the ground it may tend to incriminate me.

Mr. RICE. Didn't the Pelican Novelty Co. also handle pinball machines?

Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. During what years was the Pelican Novelty Co. in operation, approximately?

Mr. KASTEL. I couldn't say without the record.

Mr. RICE. All right, sir; was it in the thirties?

Mr. O'CONNOR. I'm trying to find out. Not exactly, approximately.

Mr. KASTEL. I don't know which company was first, whether it was the Pelican or the Bayou.

The CHAIRMAN. If I may interpose, the Bayou Novelty Co. was a corporation, and you had that in—

Mr. KASTEL. Bayou Novelty Co. was a corporation?

The CHAIRMAN. I think it was, or a partnership: One or the other.

Mr. RICE. A partnership.

The CHAIRMAN. A partnership. Then the Pelican Novelty Co. followed the Bayou.

Mr. KASTEL. The Pelican followed.

The CHAIRMAN. With substantially the same business and the same partners. Isn't that true?

Mr. O'CONNOR. The Pelican was after the Bayou.

The CHAIRMAN. The Pelican was after the Bayou.

Mr. RICE. What was the reason for the change?

The CHAIRMAN. Did Frank Costello also have half of your interest in the Pelican just like he did in the Bayou?

Mr. KASTEL. No, sir; I believe Mr. Costello had a direct interest in the Pelican, if my memory serves me right.

The CHAIRMAN. So you had your full interest and he had his.

Mr. KASTEL. By himself.

The CHAIRMAN. Directly by himself? Excuse me, I'm sorry.

Mr. RICE. Go ahead.

The CHAIRMAN. Mr. Rice was just asking what was the reason for the change of the name of the companies, if you know?

Mr. KASTEL. I believe one of the companies went out of business, and there was a time elapsed, and then the other company was a fresh, brand new company.

Mr. RICE. Now, when the Pelican Novelty Co. appeared, did they take over the same assets and equipment that the Bayou Novelty Co. had?

Mr. KASTEL. I couldn't answer that question.

Mr. RICE. Were they in the same type of business?

Mr. KASTEL. I refuse to answer on the ground the question may tend to incriminate me.

Mr. RICE. What was the business?

Mr. KASTEL. I refuse to answer the question. The question may tend to incriminate me.

Mr. RICE. Was it an illegal business?

Mr. KASTEL. I refuse to answer the question.

Mr. RICE. Was it an illegal—

Mr. KASTEL. I refuse to answer the question on the same grounds— on the grounds it may tend to incriminate me.

Mr. RICE. Did it do any business?

Mr. KASTEL. I refuse to answer the question on the grounds it may tend to incriminate me.

Mr. O'CONNOR. I think that last question was irrelevant and immaterial whether it had done any business.

The CHAIRMAN. It was an awfully easy question to answer.

Mr. O'CONNOR. No, but I think, even though it is easy, Senator, it is irrelevant and immaterial and just one of those injections in there—

The CHAIRMAN. All right.

MR. RICE. Now, sir, we have in the Pelican Novelty Co., Kastel, Costello, Geigerman. Who else?

MR. KASTEL. I couldn't say without the records.

MR. RICE. Was Moran in there?

MR. KASTEL. I couldn't say without the records.

MR. RICE. How many men were there?

MR. KASTEL. I could not answer without the records.

MR. RICE. What is your best recollection?

MR. KASTEL. I wouldn't want to take a guess.

MR. RICE. I might refresh your recollection: Didn't Jimmy Moran have an interest?

MR. KASTEL. If it's on the record, he has it.

THE CHAIRMAN. Well, do you remember whether he had an interest or not?

MR. KASTEL. I couldn't remember offhand, Senator. This is a technical investigation and I am not going to lay myself open for perjury with Mr. Rice or anybody else here.

THE CHAIRMAN. All right.

MR. RICE. All right, sir. Tell us about the Louisiana Mint Co., when did that start?

MR. KASTEL. I can't remember.

MR. O'CONNOR. Have you got the record when it started there? You might ask us that question, and if we know about the dates, we might know.

MR. RICE. Mr. Counsel, please.

MR. O'CONNOR. I know, sir, but you asked if—

MR. RICE. He is the witness.

MR. O'CONNOR. He is the witness, but he has told you he can't remember but he'd try to cooperate with you. If you will ask him—

THE CHAIRMAN. All right.

MR. O'CONNOR. Senator, may I finish?

THE CHAIRMAN. No, that's all right. Suppose you—

MR. O'CONNOR. You asked him if it was 1918 or 1920, and if he can answer you he will answer you.

THE CHAIRMAN. All right, sir. Now, maybe I can be the peacemaker here.

MR. O'CONNOR. No, sir, it is not a peacemaker; it's a question of standing on your rights.

THE CHAIRMAN. All right. Of course, the witness knows, and he's been asked about the Louisiana Mint Co., but in case his memory is vague, apparently the Louisiana Mint Co. followed the Pelican Novelty Co., operated from December 1942 to up in 1948, and each of them seem to be at 2601 Chartres Street in New Orleans, La.

Now, Mr. Rice, go ahead.

MR. O'CONNOR. Thank you, sir. That, Senator, is just what we wanted.

MR. RICE. Was the Louisiana Mint Co. a partnership?

MR. KASTEL. I believe it was.

MR. RICE. Were you a partner?

MR. KASTEL. Yes, sir.

MR. RICE. Who were the other partners?

MR. KASTEL. I couldn't say offhand without the records.

MR. RICE. Was Frank Costello a partner?

Mr. KASTEL. I believe he was.

Mr. RICE. What interest did you have?

Mr. KASTEL. I cannot answer that question without the records.

Mr. RICE. Did you have 22½ percent?

Mr. KASTEL. I cannot answer that question without the record.

Mr. RICE. What interest did Costello have?

Mr. KASTEL. You will have to ask Mr. Costello.

Mr. RICE. Was Jack Lansky a partner?

Mr. KASTEL. Yes.

The CHAIRMAN. Jack Lansky, let us identify him. Is that the one in New York or Florida?

Mr. KASTEL. The one in Florida.

Mr. RICE. Is he a brother of Meyer Lausky?

Mr. KASTEL. Yes, sir.

Mr. RICE. Did Jack Lansky have an interest?

Mr. KASTEL. I believe he did. Yes, sir.

Mr. RICE. Did Dudley Geigerman have an interest?

Mr. KASTEL. I couldn't say without the records.

Mr. RICE. Did Freddie Rickerfor have an interest—A. G. Rickerfor of New Orleans?

Mr. KASTEL. I believe he did have.

Mr. RICE. Now, sir, did Thomas Hill have an interest?

Mr. KASTEL. Mr. Hill?

Mr. RICE. Yes.

Mr. KASTEL. Yes, sir; Mr. Hill had an interest.

Mr. RICE. And Peter Hand? Did Peter Hand have an interest?

Mr. KASTEL. I don't believe Mr. Hand had an interest with me—with the company. I believe he had a part of an interest with Mr. Hill.

Mr. RICE. I believe you are correct.

Mr. KASTEL. Sir?

Mr. RICE. I believe you are right.

Mr. O'CONNOR. Good; for once——

Mr. KASTEL. For once——

The CHAIRMAN. We are making headway.

Mr. RICE. Now, sir, what was the business of the Louisiana Mint Co.?

Mr. KASTEL. I refuse to answer that question, sir, on the ground that the question may tend to incriminate me.

Mr. RICE. Let us see if I am correct on that. Was that not also slot machines?

Mr. KASTEL. I refuse to answer that question, sir, on the grounds that the question may tend to incriminate me.

Mr. RICE. Why did they use the word "Mint" in the name?

Mr. O'CONNOR. Is that material and relevant?

Mr. RICE. I ask you that in all fairness. I mean why was the name "Mint" used in the company?

The CHAIRMAN. I think it may have some important answer, Mr. O'Connor.

Mr. O'CONNOR. I bow to your judgment, sir.

The CHAIRMAN. Do you know why they used the name "Mint"? In other words, did the machines they have also when you put something in bring out a package of mints?

Mr. KASTEL. They would bring out a package of mints; yes, sir.

The CHAIRMAN. All right; that's a good answer.

Mr. RICE. Did anything else come out besides mints, if you were lucky?

The CHAIRMAN. Well, let's get it this way. This was substantially the same business that you started out back with the Bayou Novelty Co. and it came through these various companies or partnerships. Is that correct, Mr. Kastel?

Mr. KASTEL. Pretty much so, Senator.

The CHAIRMAN. All right.

Mr. RICE. Now, sir, did there come a time when the Louisiana Mint Co. filed a lawsuit against some people in New Orleans, some city officials, for \$117,000?

Mr. KASTEL. I refuse to answer that question on the grounds—

Mr. O'CONNOR. I submit the record speaks for itself, and the records in the matter of the public record of the court of jurisdiction of this city have records and—

Mr. RICE. If he brought the suit we would be entitled to know—

Mr. O'CONNOR. It speaks for itself, I suggest—

The CHAIRMAN. Well, Mr. O'Connor, we don't go on the technical rules of evidence in an investigative committee. The record speaks for itself. We can get the record and put it in our record, which we will do. The witness is being asked whether the Louisiana Mint Co. filed a suit against certain city officials in the city of New Orleans. I believe the mayor was one of them, and some others. If he will answer the question, we will get along.

Mr. O'CONNOR. Yes, you filed the suit. They want to know if you filed the suit, for damages. Would you mind phrasing that question again, Mr. Rice, I am trying to—

Mr. RICE. Yes. Did the Louisiana Mint Co. file a suit for \$117,000 against certain officials in the city of New Orleans in 1946?

Mr. O'CONNOR. Yes.

Mr. KASTEL. The answer is "Yes."

Mr. RICE. What was the reason for that suit?

Mr. O'CONNOR. For damages.

Mr. KASTEL. For damages.

Mr. RICE. For what?

Mr. KASTEL. For seizing equipment.

Mr. RICE. What type of equipment?

Mr. KASTEL. Vending machines.

Mr. RICE. What type of vending machines?

Mr. KASTEL. Five-cent vending machines.

Mr. RICE. Five-cent vending machines.

Mr. KASTEL. Yes, sir.

Mr. RICE. What did they vend?

Mr. KASTEL. Mints.

Mr. RICE. Anything else?

(No response.)

The CHAIRMAN. I guess they'd pay you off if you were lucky, so let's—

Mr. RICE. Did not the city police seize some 650 of these slot machines?

Mr. O'CONNOR. Wait a minute. We object to your calling them that, now. I mean, if our answer is going to be it. We are going to answer the way we answered the machines that were seized.



The CHAIRMAN. Well, Mr. O'Connor, you don't determine the way the witness answers. He answers on his own.

Mr. O'CONNOR. No, but I am his attorney, Senator—I hate—it is not my disposition or method to argue with people. I am very jovial as a rule and get along very rapid and easily with people but I must say that if he asks him—he said machines; vending machines. Now counsel puts it as slot machines.

The CHAIRMAN. Well, let's say vending and/or slot machines.

Mr. O'CONNOR. That's all right with me, then, Senator.

The CHAIRMAN. All right, go ahead, Mr. Rice.

Mr. RICE. Did not the city police seize some 650 of the company's machines and break up 390 of them?

Mr. KASTEL. I don't know how many they seized or how many they broke up.

Mr. RICE. Didn't you file suit?

Mr. KASTEL. I couldn't tell you without the record as to the exact amount.

Mr. RICE. Now, sir, at that time you had a substantial number of other machines in the company. What became of the other machines—vending machines?

Mr. KASTEL. There were no other machines to my knowledge outside of what they seized.

Mr. RICE. If I might refresh your recollection, your record indicates there was a substantial number of other machines at that time.

Mr. KASTEL. No, sir.

Mr. RICE. Now, then, is your answer, at the time that those machines were seized those were the only machines that the Louisiana Mint Co. had?

Mr. KASTEL. As far as I know they were the only machines the Louisiana Mint Co. had; yes, sir.

Mr. RICE. Now, sir, weren't you the manager of the company?

Mr. KASTEL. No, sir.

Mr. RICE. Who was the manager?

Mr. KASTEL. Mr. Geigerman.

Mr. RICE. What was your job?

Mr. KASTEL. I had a financial interest.

Mr. RICE. Yes, sir. Now, what was the extent of your financial interest?

Mr. KASTEL. I can't tell you without the record.

Mr. RICE. All right, approximately?

Mr. KASTEL. I cannot answer that question.

Mr. RICE. All right, sir. As a matter of fact, you were receiving upwards of \$50,000 a year from your investment, were you not?

Mr. KASTEL. You have the records there.

Mr. RICE. I am asking you.

Mr. KASTEL. I can't answer that question without the record.

Mr. O'CONNOR. He admitted he owned the machines; he admitted he had an interest in the business.

The CHAIRMAN. All right, Mr. O'Connor, that's a fair question whether he was receiving—

Mr. O'CONNOR. Well, Senator, will you let me illustrate why I asked that point, or am I going to be stopped before I finish? He admits he had an interest in the business; he admits he owns the ma-

chines. That is the purpose of your inquiry. Does he have to be called upon to testify how much money he made out of it?

The CHAIRMAN. We want to know approximately how much.

Mr. O'CONNOR. I object to it. Just let it be noted in the record then.

The CHAIRMAN. Very well.

Mr. RICE. Did Carlos Marcello have any interest in that company?

Mr. KASTEL. No, sir.

Mr. RICE. Was he not a salesman?

Mr. KASTEL. No, sir.

Mr. RICE. Now, sir, let's go back to those machines that were seized. I want to make real sure now that those were the only machines owned by the company at that time.

Mr. KASTEL. I can't answer that question without the record. You are trying to trap me into things and I am trying to help this committee.

Mr. RICE. No; we want to know what became of the other machines.

Mr. KASTEL. Well, your attitude is not right at all.

Mr. RICE. We are not bothered about the attitude——

Mr. O'CONNOR. He wants to know——

Mr. KASTEL. I don't care what he wants to know, I am not going to be harassed. I am trying to help the committee, Counsel.

Mr. RICE. All right, sir. Let's try to find out what happened to those other machines. There were 600 there stored. Is that correct?

Mr. KASTEL. How is this going to help the committee?

The CHAIRMAN. That's all right, Mr. Kastel; you answer the questions, and I will judge that.

Mr. RICE. Isn't it true that just prior to the time those machines were seized that you removed other machines?

Mr. KASTEL. Not to my knowledge, no.

Mr. RICE. Were there other machines?

Mr. KASTEL. I won't say; I would say "No."

Mr. RICE. Why were those machines stored?

Mr. KASTEL. I couldn't answer that question.

Mr. RICE. All right, sir. You are in business now to make money. Is that correct? Isn't that right?

Mr. KASTEL. Not right, not always.

Mr. RICE. You are in an enterprise for profit, and you have 600 machines. Now, sir, can you tell me how those machines are making money in storage?

Mr. KASTEL. No; they couldn't make any money in storage.

Mr. RICE. What were they doing in storage?

Mr. KASTEL. Being repaired.

Mr. RICE. These 600 machines were being repaired?

Mr. KASTEL. They were doing nothing, just being repaired and repainted.

Mr. RICE. Now, who was repairing and repainting them?

Mr. KASTEL. The repair people.

Mr. RICE. Where were they stored?

Mr. KASTEL. In the building at 26—whatever the number is, 2601 Chartres, I believe.

Mr. RICE. Who were they stored with?

Mr. KASTEL. In the company.

Mr. RICE. What company?

Mr. KASTEL. In the Louisiana Mint Co.

Mr. RICE. That was the company that you participated in?

Mr. KASTEL. Yes, sir.

Mr. RICE. Who were the people that were repairing them?

Mr. KASTEL. I couldn't tell you the names.

Mr. RICE. Did you have any machines out on the street at that time?

Mr. KASTEL. No, sir.

Mr. RICE. All of them were off location and back in the company?

Mr. KASTEL. Off location and back inside.

Mr. RICE. So that you had all the machines available to you stored for repair at that time?

Mr. KASTEL. Far as I know.

Mr. RICE. Do you contend that that is good business?

Mr. O'CONNOR. I object to that; that is irrelevant and immaterial whether that is good business or not when the machines are in the warehouse.

The CHAIRMAN. All right, let's get on.

Mr. RICE. Now, as a matter of fact, wasn't the heat on in town and you had directed that those machines be removed out of sight and stored?

Mr. KASTEL. I don't know what you mean by the "heat."

Mr. RICE. You don't know what the "heat" is?

Mr. KASTEL. No.

Mr. RICE. Now, then, wasn't it true that at that time some of those machines which were out on location and couldn't be placed in that building were sent to Carlos Marcello?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Is it possible?

Mr. KASTEL. It is not possible.

Mr. RICE. Where did the other machines go?

Mr. KASTEL. I don't know.

Mr. RICE. Well, now, you had a substantial number, more than 600, where did they go?

Mr. KASTEL. Not to my knowledge. Whatever was there shows in the record.

Mr. RICE. What became of them?

Mr. KASTEL. I don't know.

Mr. RICE. Now, sir, you indicated you were a party in interest; you have a substantial investment there. What has become of the additional machines which were not seized?

Mr. KASTEL. I do not know.

Mr. RICE. To this day you do not know?

Mr. KASTEL. To this day I do not know.

Mr. RICE. Do you want to stand by that answer?

Mr. KASTEL. Yes, sir; I do.

Mr. RICE. Are they still owned by the company?

Mr. KASTEL. Sir?

Mr. RICE. Are they still owned by the company?

Mr. KASTEL. I don't know where they are.

Mr. RICE. They just disappeared?

Mr. KASTEL. I don't know.

Mr. RICE. Didn't you make it your business to find out?

Mr. KASTEL. I wasn't there to watch them.

Mr. RICE. You weren't there to watch them. Were they stolen?

Mr. KASTEL. I couldn't say.

Mr. RICE. Is it possible they were stolen?

Mr. KASTEL. It's possible.

Mr. RICE. Did you make a complaint they were stolen?

Mr. KASTEL. No, sir.

Mr. RICE. What became of the machines, Mr. Kastel?

Mr. KASTEL. I do not know.

Mr. RICE. Now, sir, have you heard of the Crescent Music Co.?

Mr. KASTEL. Yes; I have.

Mr. RICE. What is that?

Mr. KASTEL. It is a company that would supply music boxes to locations.

Mr. RICE. Is that a corporation?

Mr. KASTEL. I don't know what it is.

Mr. RICE. Is it a partnership?

Mr. KASTEL. I believe it is a partnership, I am not sure.

Mr. RICE. Do you have an interest in it?

Mr. KASTEL. Not today; no.

Mr. RICE. Is it defunct now?

Mr. KASTEL. Yes, sir.

Mr. RICE. Was succeeded by what? The F. A. B. Distributing?

Mr. KASTEL. No, sir.

Mr. RICE. What happened to it?

Mr. KASTEL. The company was liquidated and sold out.

Mr. RICE. Now, then, that company started on July 23, 1943; did it not?

Mr. KASTEL. If you have the record, that must be correct.

Mr. RICE. I am asking you.

Mr. KASTEL. I don't know without any records.

Mr. RICE. Is that approximately right?

Mr. KASTEL. No, sir.

Mr. RICE. When did it start in your estimation?

Mr. KASTEL. I would have to see the record.

Mr. RICE. When do you think it started?

Mr. KASTEL. I wouldn't want to think.

Mr. RICE. Didn't you have—oh, you wouldn't want to think.

Mr. KASTEL. No, not about that; not to give you exact dates; no.

Mr. RICE. All right, sir. You don't want to think, the record says it started on July 23, 1943, and continued until 1948. The company was first owned by Jack Jaffe. Who is he?

Mr. KASTEL. He is the man that owned the company.

Mr. RICE. Where does he live?

Mr. KASTEL. He is deceased. He's passed out.

Mr. RICE. Now, was he related to Jacob Jaffe of the Mills Novelty Co.?

Mr. KASTEL. I never knew a Jacob Jaffe of the Mills Novelty Co.

Mr. RICE. Where did Jack Jaffe come from?

Mr. KASTEL. New York.

Mr. RICE. Was Jaffe formerly with you and Costello and Kastel in the Midtown Novelty Co. of New York?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. I see. Now, did you ever have an office at room 1108, 1860 Broadway, New York City?

Mr. KASTEL. I refuse to answer that question. The question may tend to incriminate me.

Mr. RICE. Did you not have an office in that room with Frank Costello?

Mr. KASTEL. I refuse to answer that question. The question may tend to incriminate me.

Mr. RICE. Have you ever been in that room?

Mr. KASTEL. I refuse to answer that questioning on the ground it may tend to incriminate me.

Mr. RICE. What was the business of the Crescent Music Co.? What commodity did they deal in?

Mr. KASTEL. They handled music boxes, juke boxes, and records.

Mr. RICE. Music boxes, juke boxes, and records where?

Mr. KASTEL. In the city of New Orleans.

Mr. RICE. And distributed them to locations?

Mr. KASTEL. Yes, sir.

Mr. RICE. Did Jimmy Eisenburg have an interest at any time?

Mr. KASTEL. The name sounded familiar but I believe that was an interest of Mr. Jaffe's.

Mr. RICE. Yes; now didn't Mrs. Loretta Costello have an interest?

Mr. KASTEL. Yes, sir.

Mr. RICE. What was your answer to Loretta Costello?

Mr. KASTEL. My answer was "Yes."

Mr. RICE. Was she in the company at the same time you were?

Mr. KASTEL. Yes, sir.

Mr. RICE. She is the wife of Frank Costello?

Mr. KASTEL. That is correct.

Mr. RICE. She had 25-percent interest?

Mr. KASTEL. I couldn't say about the percentage; it is so long, but she had an interest.

Mr. RICE. She had a half of your interest; did she not?

Mr. KASTEL. No, sir; she had an interest; a participating interest in the company.

Mr. RICE. I see. Now, didn't you buy the company at one time, yourself? 1944?

Mr. KASTEL. I believe it was a company that was purchased from someone.

Mr. RICE. Yes. Now, you bought the company, did you not, and sold a half interest to Mrs. Loretta Costello? Isn't that correct?

Mr. KASTEL. Facts happen so fast; possibly about the same time.

Mr. RICE. In other words, it was a simultaneous transaction?

Mr. KASTEL. You have the date; you have the record.

Mr. RICE. On paper you took it over, but she actually had a half interest all the time.

Mr. KASTEL. She put up her money and had a half interest in the company.

Mr. RICE. What became of that company?

Mr. KASTEL. That company went out of business.

Mr. RICE. Get anything from Dan Cohen?

Mr. KASTEL. Sir?

Mr. RICE. Did the company buy anything from Dan Cohen?

Mr. KASTEL. I believe so.

Mr. RICE. What did they buy from Cohen?

Mr. KASTEL. I couldn't tell you offhand without the record.

Mr. RICE. Didn't they buy music boxes from Dan Cohen?

Mr. KASTEL. Some; some music boxes.

Mr. RICE. Anything wrong with the music boxes?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Did the company make money?

Mr. KASTEL. I would say "No."

Mr. RICE. Did Dudley Geigerman have any connection with the Crescent Music Co.?

Mr. KASTEL. No, sir.

Mr. RICE. Didn't he help on the selling route, or location route, collections?

Mr. KASTEL. No, sir.

Mr. RICE. Are you sure about that?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Isn't it true that Geigerman was functioning then on a collection route for the Louisiana Mint and at the same time for the Crescent Music Co.?

Mr. KASTEL. No, sir.

Mr. RICE. Are you sure about that?

Mr. KASTEL. Pretty sure.

Mr. RICE. Certain?

Mr. KASTEL. Pretty certain.

Mr. RICE. That is way back, now.

Mr. KASTEL. I know, but I know Geigerman had no connection as far as collecting any money for the Crescent Music Co.

Mr. RICE. All right, sir. In connection with those juke boxes, or automatic music devices; did those bring about membership in any association, any phonograph-operators association?

Mr. KASTEL. Not to my knowledge. I don't believe the Crescent Music Co. was a member of any organization.

Mr. RICE. Did you ever hear of the Phonograph Operators Association of New Orleans?

Mr. KASTEL. Did I ever hear of what?

Mr. RICE. The Phonograph Operators Association of New Orleans.

Mr. KASTEL. No, sir.

Mr. RICE. Did you ever hear of George Brennan?

Mr. KASTEL. Yes, sir.

Mr. RICE. What was his job?

Mr. KASTEL. I couldn't say.

Mr. RICE. Wasn't he president of that association?

Mr. KASTEL. I couldn't say.

Mr. RICE. Didn't he collect \$2 a week from each of the machines?

Mr. KASTEL. Not to my knowledge. Not from our company.

Mr. RICE. How was the Crescent Music Co. terminated? What became of it?

Mr. KASTEL. Just couldn't make any money. It was liquidated and whatever assets were left were sold and some other concern took them over and paid for the assets, and took over the liabilities, I believe.

Mr. RICE. Who took over the assets, Mr. Kastel?

Mr. KASTEL. The record will show. I couldn't truthfully tell you the name of the company or the individual. The records will show it.

Mr. RICE. Did Dan Cohen take it back?

Mr. KASTEL. No, sir; some other local operator here.

Mr. RICE. It was sold locally?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir; now coming down to the Beverly Country Club, When was that establishment started?

Mr. KASTEL. I believe it was in 1945.

Mr. RICE. 1945. Now, tell us how you happened to become connected with the Beverly Country Club.

Mr. KASTEL. If you don't mind asking the questions, I'll try to answer them. I am not going to sit here and tell you a big, long story.

Mr. RICE. My question is, How did you become connected? Did you buy into it yourself? Did you buy the whole club? What happened?

Mr. KASTEL. I just leased it.

Mr. RICE. Did you lease it as an individual?

Mr. KASTEL. No, sir.

Mr. RICE. From whom did you lease it?

Mr. KASTEL. I leased it from A. G. Rickerfor.

Mr. RICE. Now, you are talking about the land and building?

Mr. KASTEL. Yes, sir.

Mr. RICE. Was Mr. Rickerfor the owner?

Mr. KASTEL. Yes, sir.

Mr. RICE. Is he still the owner?

Mr. KASTEL. No, sir.

Mr. RICE. You subsequently bought it?

Mr. KASTEL. Subsequently it was taken over.

Mr. RICE. Now, when you say, "We leased it", who is "we"?

The CHAIRMAN. That is a corporation?

Mr. RICE. Yes.

The CHAIRMAN. Ask him if it is a corporation.

Mr. RICE. You say "We leased"—

Mr. KASTEL. It was leased by whoever had an interest in the company at that time, which the records will show.

Mr. RICE. I understood you to say that "we leased it from Mr. Rickerfor." Is that right?

Mr. KASTEL. That is right.

Mr. RICE. Who are you referring to when you say "we"?

Mr. KASTEL. The people who are interested in the company today.

Mr. RICE. Who are they?

Mr. KASTEL. You have the records there.

Mr. RICE. You tell me.

The CHAIRMAN. Ask him some specific questions.

Mr. RICE. It is a going company today. Isn't that right?

Mr. KASTEL. That's right.

Mr. RICE. Who are the parties in interest?

Mr. KASTEL. Myself, Mr. Costello.

Mr. RICE. Now, as of the moment then, the owners are you and Mr. Costello?

Mr. KASTEL. And some others.

Mr. RICE. Who are the others?

Mr. KASTEL. Mr. Marcello.

Mr. RICE. What Marcello?

Mr. KASTEL. Carlos Marcello.

Mr. RICE. Who else?

Mr. KASTEL. Mr. Rickerfor.

Mr. RICE. And who else?

Mr. KASTEL. And Dudley Geigerman.

Mr. RICE. All right. What is the percentage of interest, now?

Mr. KASTEL. You will have to look at the records to find that out.

Mr. RICE. All right, we'll see if this isn't so. Phillip Kastel, 47½ percent; Frank Costello, 20 percent; A. G. Rickerfor, 17½ percent; Carlos Marcello, 12½ percent; and Dudley Geigerman, 2½ percent.

Mr. KASTEL. That sounds about correct.

Mr. RICE. That is according to your stock records, sir?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. May I ask. I thought Lansky had an interest.

Mr. KASTEL. He did have an interest, Senator. It was sold about—I believe almost 2 years ago.

Mr. RICE. Now, the property was acquired in 1945 you say?

Mr. KASTEL. I believe Rickerfor acquired the property.

Mr. RICE. Yes. And did you form a corporation?

Mr. KASTEL. And leased it to us.

Mr. RICE. Did you immediately form a corporation?

Mr. KASTEL. I couldn't say whether it was immediately or afterward.

Mr. RICE. When Lansky had an interest, was it a corporation then?

Mr. KASTEL. Yes, sir; I believe it was.

Mr. RICE. Who else besides Lansky was in there?

Mr. KASTEL. You have the names there. That's all. Whatever names show in there.

Mr. RICE. Was Lansky the only other one besides the names that have been mentioned?

Mr. KASTEL. Yes, sir.

Mr. RICE. Which Lansky was it?

Mr. KASTEL. Meyer Lansky.

Mr. RICE. Meyer Lansky?

Mr. KASTEL. Yes, sir.

Mr. RICE. In the Louisiana Mint it was Jack Lansky, his brother?

Mr. KASTEL. Yes, sir.

Mr. RICE. This was his brother, Meyer?

Mr. KASTEL. That's right.

Mr. RICE. Did Jack Lansky have an interest in this?

Mr. KASTEL. No, sir.

Mr. RICE. Are there any parties—

Mr. O'CONNOR. Wait a minute. Did Jack Lansky have an interest in what?

Mr. KASTEL. No.

Mr. RICE. In the Beverly?

Mr. KASTEL. The answer is "No."

Mr. RICE. Jack had an interest in the Louisiana Mint.

Mr. KASTEL. That's right.

Mr. RICE. Meyer in the Beverly.

Mr. KASTEL. That's right.

Mr. RICE. What percentage of interest, or what amount of investment did Meyer Lansky have?



Mr. KASTEL. The records will show that.

Mr. RICE. You tell us.

Mr. KASTEL. I can't tell you offhand without the records.

Mr. RICE. What became of him?

Mr. KASTEL. What do you mean, what became of him?

Mr. RICE. Who bought his interest?

Mr. KASTEL. I bought his interest.

Mr. RICE. What did you pay for it?

Mr. KASTEL. You will find that in the records. I can't tell you offhand.

Mr. RICE. A hundred thousand?

Mr. KASTEL. Whatever the book value was.

Mr. O'CONNOR. I object to that on the ground it is not pertinent to this investigation. He's admitted an interest, he has admitted he's bought it, and the things you wanted to find out and all that, and specially when we have an income tax here next week. I object to that.

Mr. RICE. At the time that Meyer Lansky was in the company what percentage of interest did he have?

Mr. KASTEL. The records will show that.

The CHAIRMAN. I think he had 12½ percent.

Mr. KASTEL. I believe it is more than that, Senator, but the record will show it; I cannot remember what the records show.

Mr. RICE. What do you believe it was?

Mr. KASTEL. I am not going to think; I am not going to guess. You have the records.

Mr. RICE. Now, did you produce the stock records?

Mr. KASTEL. Yes, sir.

Mr. RICE. Take a look at the stock records and tell us exactly what Meyer Lansky had.

(Mr. Kastel examined the documents.)

The CHAIRMAN. All right. What was the amount of stock he owned? What is the total amount?

Mr. KASTEL. I think about 20 percent.

Mr. O'CONNOR. About 20 shares of common stock.

Mr. KASTEL. I think that is about what it was: about 20 percent. It shows 20 shares.

The CHAIRMAN. All right.

Mr. RICE. Does anyone have an interest in your interest, Mr. Kastel?

Mr. KASTEL. No, sir.

Mr. RICE. Does anyone have an interest in your interest?

Mr. KASTEL. No, sir.

Mr. RICE. You own it entirely in your own right?

Mr. KASTEL. Yes, sir.

Mr. RICE. Do you know Bugsy Siegel?

Mr. KASTEL. Do I know him?

Mr. RICE. Yes. Did you know him?

Mr. KASTEL. Yes; I knew him slightly; yes.

Mr. RICE. Was he a partner of Meyer Lansky?

Mr. KASTEL. I couldn't say.

Mr. RICE. Did Bugsy Siegel have an interest?

Mr. KASTEL. I could not say.

Mr. RICE. Did he have a part of Meyer's interest?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Why did Meyer Lansky sell?

Mr. KASTEL. I couldn't say.

Mr. RICE. What was the deal? You bought it from him.

Mr. KASTEL. The proposition was not making enough money to suit him, I guess.

Mr. RICE. Was it making enough money to suit you?

Mr. KASTEL. Not particularly.

Mr. RICE. Why did you buy it?

Mr. KASTEL. I thought it would be all right for me.

Mr. RICE. Now, sir, at the time that Meyer Lansky had an interest in the club, were you forwarding copies of a financial statement to Meyer?

Mr. KASTEL. Was I? No.

Mr. RICE. Was the club?

Mr. KASTEL. No.

Mr. RICE. Was he receiving copies of the financial statement?

Mr. KASTEL. I could not say.

Mr. RICE. Did he have an accountant?

Mr. KASTEL. I believe he had an accountant; yes.

Mr. RICE. And what was the name of the accountant?

Mr. KASTEL. I think it was an accountant by the name of George Goldstein.

Mr. RICE. He was in New Jersey?

Mr. KASTEL. I think so.

Mr. RICE. In Newark?

Mr. KASTEL. I think so.

Mr. RICE. Is not he also an accountant for some people in Florida?

Mr. KASTEL. I could not say. I don't know the man's business.

Mr. RICE. Is he an accountant for you?

Mr. KASTEL. No, sir.

Mr. RICE. Is he an accountant for Costello?

Mr. KASTEL. Not to my knowledge. I don't know.

Mr. RICE. Is he an accountant for Rickerfor?

Mr. KASTEL. I don't know Rickerfor's business.

Mr. RICE. Is he an accountant for anyone connected with Beverly, except Meyer?

Mr. KASTEL. You will have to ask him. I am only talking for myself, sir.

Mr. RICE. Well, now, sir, the Beverly, in which you were the controlling party, or manager, or principal, here, was sending financial statements to Goldstein. Is that not right? You would send a monthly statement up there?

Mr. KASTEL. I never sent a monthly statement to him.

Mr. RICE. Who keeps the books, or who has kept the books of the company locally here?

Mr. KASTEL. You mean the certified—the c. p. a.?

Mr. RICE. Yes.

Mr. KASTEL. Charles Murphy.

Mr. RICE. Was Murphy instructed to send statements to Goldstein?

Mr. KASTEL. It is possible.

Mr. RICE. Possible. Now, sir, with that possibility—

Mr. O'CONNOR. May I ask by whom he was instructed? Ask him that.

Mr. RICE. Yes. I would like to know that.

By whom was he instructed to do that?

Mr. O'CONNOR. You asked the question, was he instructed by Mr. Kastel or someone else. That is what we want.

The CHAIRMAN. All right. Was he instructed and by whom was he instructed to send—

Mr. KASTEL. I don't know by whom, Senator; it might have been Mr. Lansky himself.

The CHAIRMAN. But you know he was instructed to send them up there?

Mr. KASTEL. So it appears.

The CHAIRMAN. All right.

Mr. RICE. Now, sir, Meyer Lansky sold his interest in 1948. Is there any reason for sending financial statements to Goldstein after that date, the date of the sale?

Mr. KASTEL. No particular reason. Only that it might have gone along automatically in case he did receive them. It would not be my instructions one way or the other.

Mr. RICE. Did you ever cancel the instructions?

(No response.)

Mr. RICE. Is Goldstein receiving statements today?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Is it possible?

Mr. KASTEL. It is possible, yes.

Mr. RICE. Now then, what is the business of the Beverly Club?

Mr. KASTEL. It is a restaurant and night club.

Mr. RICE. Restaurant and night club. Now, anything else?

Mr. KASTEL. We sell liquor.

Mr. RICE. Anything else? Does it have a casino?

Mr. KASTEL. I refuse to answer that question on the ground the question may tend to incriminate me.

Mr. RICE. On your books and records where the word "casino" is used, what do you mean by that?

Mr. KASTEL. I refuse to answer that question on the grounds the question may tend to incriminate me.

Mr. RICE. Is that the same as the restaurant?

Mr. KASTEL. I refuse to answer that question, sir, on the ground that the question may tend to incriminate me.

Mr. RICE. Where your books and records use the words "win" and "lose," does that refer to the restaurant?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. Does it refer to the casino?

Mr. KASTEL. I refuse to answer that question, on the same grounds.

Mr. RICE. Does it refer to gambling?

Mr. KASTEL. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. What is your title in connection with the club?

Mr. KASTEL. I am the president.

Mr. RICE. You are the president.

Mr. KASTEL. And general manager.

Mr. RICE. And general manager?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir. Now then, you do the hiring and firing?

Mr. KASTEL. Not always.

Mr. RICE. Who is in charge of that?

Mr. KASTEL. I have some assistants.

Mr. RICE. How many employees do you have?

Mr. KASTEL. The records will show it.

Mr. RICE. How many employees do you have?

Mr. KASTEL. Possibly in the neighborhood of 120 or 130.

Mr. RICE. About 120 or 130?

Mr. KASTEL. More or less.

Mr. RICE. What is your total payroll, weekly?

Mr. KASTEL. I could not tell you that offhand, without the records.

Mr. RICE. Now, sir, are all of those 130 employees employed in either the restaurant or the night club phase?

Mr. KASTEL. Would you mind phrasing that question again?

Mr. RICE. Are all the employees employed in the restaurant?

Mr. KASTEL. I refuse to answer that question.

Mr. RICE. Do you have employees in the casino?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Now, sir, is Mr. Murphy here?

Mr. O'CONNOR. I don't know. Do you know?

Mr. KASTEL. I could not say. I don't know. Call his name out.

The CHAIRMAN. Let's go to something else.

Mr. RICE. Now, sir, possibly we can stipulate a little bit here. The committee staff has examined the books, with the assistance of Mr. Murphy, the accountant. Possibly we can work out one or two things.

The CHAIRMAN. Let's state what you find the books show and ask him if that is true.

Mr. RICE. We find the books and records for the fiscal year ending November 30—you work on a fiscal year?

Mr. KASTEL. That is right.

Mr. RICE. 1949; reflect that the restaurant had an income of \$494,038.65, and that there were expenses of \$1,093,989. Therefore, that year there was an operating loss, in the restaurant, of \$599,950.35. Now, that is what the books show. Do you have any other business besides the restaurant?

Mr. KASTEL. Under that room?

Mr. RICE. Yes.

Mr. KASTEL. No, sir. No—I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. Now, the restaurant lost a half million dollars. Do you have any other business that keeps it alive?

Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. For the same period, according to your books, the income from the casino was \$93,119. The expenses for the casino were \$261,568.42. Accordingly, the profit for the casino was \$677,550.58. This is according to your books. Now, sir, you, in response to the subpoena turned in copies of your Federal income-tax return for the same year, 1949. We find that on the Federal income tax—

Mr. O'CONNOR. Wait a minute. Are you going into his Federal income tax now? May I ask that question, Mr. Rice?

Mr. RICE. No; we are going to ask him—

Mr. O'CONNOR. Questions relating to Federal income tax?

Mr. RICE. No; we are asking him questions relating to the income and expense—

Mr. O'CONNOR. As based from his Federal income tax?

Mr. RICE. Mr. Counsel, you may decide. We will ask the questions.

The CHAIRMAN. Are these from the records and books?

Mr. O'CONNOR. I think inasmuch as you have ruled that—

The CHAIRMAN. All right.

Mr. RICE. Now, sir, from an examination of the income-tax return that you have supplied in response to the subpoena I find a slight discrepancy there: That the casino expenses which were shown on the books previously at \$261,568.42 were recorded in the tax return at \$699,027.52.

Mr. O'CONNOR. I am going to object to all this on the following grounds: This committee was given the authority by the President to look into the income-tax returns of individuals. We returned that to you. But to make them public, I don't believe that this committee, even with the lax rules that it has, has the right to go into that, and I sincerely object to that and urge my objection to that.

The CHAIRMAN. Mr. O'Connor, we are not—these are records you brought in; not anything we got—

Mr. O'CONNOR. In accordance with your subpoena, sir, so that you can look at them. The Federal Government says you can. The President gave you the right for the first time in history to go into the income-tax returns, to look at them to help your committee. We did not want to hinder your committee; we let your committee have these things; in conformity with that we complied, but to make them public, I don't think that was ever the intention, and we object strenuously.

The CHAIRMAN. Well, of course, we would have the right. We are not using anything we got except what we got from you, sir.

Mr. O'CONNOR. Under the authority of the Senate resolution, sir.

The CHAIRMAN. No, sir; the authority of the Senate resolution is for us to get them somewhere else. What we are referring to we got from you. Anyway, the point is, and the question is, one place you charged off a whole lot, you showed you lost a lot of money in the restaurant, and the other place you showed you made a lot of money in the restaurant, and we are just wondering how the books are kept that way.

Mr. KASTEL. Senator, I couldn't answer that without the c. p. a. I am not an auditor, and I am not a bookkeeper. The man gets paid for that work, and I would appreciate it if you would ask him.

The CHAIRMAN. We will ask him, then.

Mr. RICE. All right, sir. As the president of the company, do you charge in your books expenses for entertainment and advertising to the restaurant or the casino?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Is it not true you charge all those expenses to the restaurant, in the books?

Mr. KASTEL. (No response.)

Mr. RICE. Can you explain that shift in expenses, sir?

Mr. KASTEL. I could not tell you offhand without the record. You have the record in front of you. You will have to call the c. p. a.

MR. RICE. All right, sir. Now, then, who are the officers of the corporation?

MR. KASTEL. You have the record there.

MR. RICE. You are the president. Who is the vice president?

MR. KASTEL. I could not tell you offhand, without the record.

MR. RICE. Who is the treasurer?

The CHAIRMAN. Mr. (Ralph) Mills, look at the books and let's refresh the witness' recollection, if he doesn't know.

MR. RICE. Mr. Kastel, you are the president of the corporation. Who are the other officers?

MR. KASTEL. You have them there in the records.

MR. RICE. Let's look at them. You have it down there.

MR. KASTEL. I have not seen them.

MR. RICE. Who are the other officers? Don't you know?

MR. KASTEL. I couldn't tell you offhand.

MR. RICE. You don't know?

MR. KASTEL. I could not tell you offhand.

MR. RICE. You are the president of the corporation. You don't know who your treasurer is?

MR. KASTEL. You have it on record.

MR. RICE. You don't know who your vice president is? Who are your board of directors?

MR. KASTEL. You have it on record.

MR. RICE. Are you a member of the board of directors?

The CHAIRMAN. Mr. Kastel, it doesn't make any difference whether we have the record or not. You know who the vice president and the treasurer, and so forth, are. Tell us about it. Or if you know who the board of directors are, whether we have the record or whether we have not.

MR. KASTEL. I cannot answer that question.

MR. RICE. Are you a member of the board of directors?

MR. KASTEL. Yes, sir.

MR. RICE. Who else is on the board of directors?

MR. KASTEL. I can't answer that question.

MR. RICE. Can you name one?

MR. KASTEL. I can't answer that question.

MR. RICE. Can you name any other one officer?

MR. KASTEL. I can't answer that question.

MR. RICE. Now, sir, you are doing a million-dollar business a year; you don't know who the officers are?

(No response.)

MR. RICE. Do you want to stand on that answer?

MR. KASTEL. You have the record there.

MR. RICE. Do you realize, sir, that if you refuse to answer when you do know the answer it constitutes a contempt?

MR. KASTEL. Are you threatening me?

MR. RICE. No, I am telling you.

The CHAIRMAN. I understand that you did not bring in the record book showing who the officers are?

MR. O'CONNOR. Yes, sir.

MR. KASTEL. Let me see the record.

MR. O'CONNOR. We gave the committee everything we have.

MR. MARTIN. Not that one.

MR. RALPH MILLS. No, not that one.

Mr. O'CONNOR. We gave you everything we had.

The CHAIRMAN. Well, the minute book apparently has not been brought in, as to who the officers are.

Mr. O'CONNOR. I shall be glad to bring it in. There are possibly some changes made recently and I don't want to go on record when I don't know what I am talking about.

The CHAIRMAN. Who were the officers before the changes were made?

Mr. KASTEL. I was the president from the inception.

Mr. RICE. Who were some of the officers at any time? Mr. Charles Murphy is the secretary-treasurer. He is the accountant?

Mr. KASTEL. He is the accountant; yes, sir.

Mr. RICE. He is a c. p. a.?

Mr. KASTEL. Yes, sir.

Mr. RICE. In this State?

The CHAIRMAN. Let's get any other officers we can get. Who are the other officers?

Mr. KASTEL. I could not tell you offhand, without the records.

Mr. RICE. You cannot remember any officers at any time—

Mr. KASTEL. No, sir.

Mr. RICE. In the last 4 years?

The CHAIRMAN. Is Marcello an officer?

Mr. KASTEL. No, sir. I haven't looked at it.

Mr. RICE. Costello?

Mr. KASTEL. No, sir.

Mr. RICE. Geigerman?

Mr. KASTEL. No, sir. Not to my knowledge.

Mr. RICE. Rickerfor?

Mr. KASTEL. No, not to my knowledge.

The CHAIRMAN. Will you have Mr. Murphy bring the minute book up in the morning so we can see just who the officers are?

Mr. KASTEL. Yes, sir.

Mr. O'CONNOR. I want to make a notation on that. Who do you want us to bring that to, Senator—to you or to Mr. Rice?

The CHAIRMAN. To Mr. Rice.

Mr. RICE. Now, sir do the officers receive salaries as officers?

Mr. KASTEL. I would say no, outside of myself. I would say no. The answer is "No."

Mr. RICE. Are you the only paid officer?

Mr. KASTEL. No.

Mr. RICE. Are the other officers paid?

Mr. KASTEL. I would have to look at the records.

Mr. RICE. Are the officers all stockholders?

Mr. KASTEL. I believe so. They have to be.

Mr. RICE. All right, sir. You know who all the stockholders are, don't you?

Mr. KASTEL. There may be some small shares, somebody may have one share of stock and be an officer.

Mr. RICE. Oh, I see. Who might that be?

Mr. KASTEL. I don't know.

Mr. RICE. Well, let's not speculate. Let's get down to facts here.

Mr. KASTEL. Well, I do not know. That is my answer.

Mr. RICE. Is there anyone with an interest of one or two shares?

Mr. KASTEL. My answer is. I do not know.

Mr. RICE. Is it possible?

Mr. KASTEL. I would not answer it.

Mr. RICE. I don't believe your books show that anyone might have one share.

Mr. KASTEL. Well, you check them and you will find out.

Mr. RICE. All right, sir.

Now, then, what does Mr. Frank Costello do for the corporation?

Mr. KASTEL. He does a lot of good-will work.

Mr. RICE. He does good-will work?

Mr. KASTEL. Yes.

Mr. RICE. Will you amplify that a little bit?

Mr. KASTEL. He takes care of, partly, entertainment.

Mr. RICE. What good-will work does he do?

Mr. KASTEL. Telling people about the club.

Mr. RICE. Telling people?

Mr. KASTEL. Yes.

Mr. RICE. Now then, what does he tell them?

Mr. KASTEL. He asks them, when they come to New Orleans, to patronize the place.

Mr. RICE. Now, then, where does he do this good-will work?

Mr. KASTEL. Wherever he happens to be.

Mr. RICE. Where is that, mostly?

Mr. KASTEL. Wherever he happens to be at the time.

Mr. RICE. Is it sometimes at Hot Springs?

Mr. KASTEL. Possible.

Mr. RICE. Sometimes in Florida?

Mr. KASTEL. Possible.

Mr. RICE. Sometimes in New York?

Mr. KASTEL. Possible.

Mr. RICE. Sometimes in Chicago?

Mr. KASTEL. Possible.

Mr. RICE. Now, sir, he does the good-will work by telling people when they go to New Orleans to do what?

Mr. KASTEL. To patronize the club.

Mr. RICE. To patronize the club.

Mr. KASTEL. Yes.

Mr. RICE. Now, then, what people does he tell?

Mr. KASTEL. I don't know.

Mr. RICE. Does he tell anybody?

Mr. KASTEL. I imagine people he comes in contact with.

Mr. RICE. Does he do anything else for the club, or the company?

Mr. KASTEL. He advises with me at times.

Mr. RICE. He advises with you. What do you mean by that?

Mr. KASTEL. About entertainment.

Mr. RICE. He advises you about entertainment?

Mr. KASTEL. About entertainment.

Mr. RICE. I see. Is he an employee of the company?

Mr. KASTEL. Yes.

Mr. RICE. Is he on the payroll as an employee?

Mr. KASTEL. Yes.

Mr. RICE. Do you pay social security on him?

Mr. KASTEL. I believe so.



Mr. RICE. And unemployment compensation?

Mr. KASTEL. I believe so.

Mr. RICE. Now, sir, what does he draw for this good-will work that he does?

Mr. KASTEL. The records will show it.

Mr. RICE. From your own knowledge, what does he draw?

Mr. KASTEL. From my own knowledge. [Pause.]

Mr. RICE. All right, sir. I show you a check, No. 8148, dated October 28, 1949, of the Beverly Country Club, in the amount of \$3,468.80, drawn to Frank Costello, 115 Central Park West, New York.

Mr. KASTEL. Let me see it.

Mr. RICE. And I ask you what that is for.

Mr. KASTEL. Would you mind looking at the books? I didn't sign this check. Mr. Murphy signed it.

Mr. RICE. Does Costello draw an even amount, odd amount, or how does he get paid? Weekly, monthly?

Mr. KASTEL. Monthly.

Mr. RICE. He gets paid that much a month?

Mr. KASTEL. No.

Mr. O'CONNOR. He did not say he was paid that much. He is not referring to that. He said this check is not signed by him.

Mr. RICE. Yes; but he is the president; doesn't he approve the checks that are drawn?

Mr. O'CONNOR. This is signed by Murphy.

Mr. RICE. We are asking the witness. Don't you approve the checks that are drawn?

Mr. KASTEL. Not always.

Mr. RICE. All right.

Mr. KASTEL. I didn't approve that. I didn't know anything about that. I don't recall this particular check.

Mr. RICE. Murphy can draw any check in any amount?

Mr. KASTEL. He can draw any check necessary; yes, sir, if he sees that the records call for it, he can draw it. He has the authority.

Mr. RICE. How much does Costello draw a month for his good-will work, \$867.20?

Mr. KASTEL. I believe that was the figure.

Mr. RICE. I see two checks here dated June and July 1950; check No. 10069, dated June 21, 1950, in the amount of \$867.20, drawn to Frank Costello, signed by Philip Kastel—

Mr. O'CONNOR. May we see it?

Mr. RICE. Of the Beverly Country Club. What is that for [handing document to counsel]?

Mr. KASTEL. That is his salary check.

Mr. O'CONNOR. Salary check, for his good will?

Mr. KASTEL. Yes.

Mr. O'CONNOR. Answer it.

Mr. KASTEL. That is a thousand dollars, less the deductions.

Mr. RICE. Yes; a thousand dollars, less deductions for social security.

Mr. KASTEL. That's right.

Mr. RICE. So that he draws a thousand dollars a month, doesn't he?

Mr. KASTEL. That's right.

Mr. RICE. All right, sir. What is the \$3,000 check for?

Mr. KASTEL. You will have to ask Mr. Murphy about that check.

Mr. RICE. Does Costello draw any money besides his good-will work for which he receives a thousand dollars a month.

Mr. KASTEL. No, sir.

Mr. RICE. Well, here is the check.

Mr. KASTEL. We will have to ask Mr. Murphy what it is.

The CHAIRMAN. Let's describe the check a little better here:

Beverly Country Club. Check No. 8148. New Orleans, La., October 28, 1949, \$3,468.80. Frank Costello, 115 Central Avenue Park, West. Beverly Country Club, Inc. Charles D. Murphy. To Progressive Bank & Trust Co., New Orleans.

And it is endorsed "Frank Costello" and apparently either cashed or deposited in the Corn Exchange Bank in New York, on November 2, 1949.

Well, these checks speak for themselves. They seem to be \$1,000 a month, with these extra amounts.

Mr. O'CONNOR. I think Mr. Murphy can explain that check better than Mr. Kastel.

The CHAIRMAN. Let them be made a part of the record.

(The checks were made a part of the record as "Exhibit No. 16" and are on file with the committee.)

Mr. RICE. Well, now, Mr. Kastel is present. If we find from an examination of the records that Costello drew substantially more than the thousand dollars a month, what were the additional payments? What is he entitled to? Any dividends, any interest, any other repayment on loans?

Mr. KASTEL. He would be entitled to repayment on loans; yes.

Mr. RICE. Has he loaned the club money?

Mr. KASTEL. Well, we all have.

Mr. RICE. You all have. So that it is possible this is repayment of a loan?

Mr. KASTEL. I wouldn't say; you will have to ask Mr. Murphy.

Mr. O'CONNOR. Tell them.

The CHAIRMAN. Mr. O'Connor, let the—

Mr. O'CONNOR. I want to explain it. I think I can explain it if you will ask me.

The CHAIRMAN. Wait just a minute. Move over. Let the witness answer. I think you might get him confused.

Mr. O'CONNOR. I was going to try and help you. From now on I won't help you if that's your position in the matter. I was going to try to help you. I told him to explain what that check was.

The CHAIRMAN. If you can help us we will be glad to have your explanation.

Mr. O'CONNOR. I think I am entitled to consult with my client at any time, sir. I am not trying to put words in his mouth.

The CHAIRMAN. While he is testifying don't be talking with him. Let him do his own talking.

Mr. O'CONNOR. I was not talking with him, sir.

The CHAIRMAN. Well, some noise I heard from down there.

Mr. O'CONNOR. There could be a lot of noises buzzing around here, sir.

The CHAIRMAN. All right. Let's go on.

Mr. O'CONNOR. I was going to help you, and maybe you would have gotten an answer.

The CHAIRMAN. Well, we will get one on something else.

Mr. O'CONNOR. I think I have been very helpful to you gentlemen.

The CHAIRMAN. All right, Mr. Rice; let's carry on.

Mr. KASTEL. I believe I know what this is, Senator, but I am not sure, and I don't care to answer until I consult with Mr. Murphy tomorrow morning, if you don't mind.

The CHAIRMAN. Well, do you want to give us your best idea about it?

Mr. KASTEL. My best idea is it was an increase in salary and I believe covers about 2 months. That is my best answer. I am not sure.

Mr. RICE. Now then, sir, an increase in salary in October 1949?

Mr. KASTEL. I think so; I am not sure.

The CHAIRMAN. Well, these other checks, though, for a little less than \$900 were 1950, so maybe it was an increase in salary during 1949.

Mr. KASTEL. I believe so. I am not sure; I would rather consult with Mr. Murphy.

The CHAIRMAN. All right. You consult with Mr. Murphy and we will ask him, or you, what it is.

Mr. RICE. Now, then, sir, I believe an examination of the records show that at about that time there was a surplus of some \$70,000 to the credit of the company. I take it at that time that Costello's salary was increased. An examination of the records shows that within the next 6 months the company showed a loss of some \$197,000. How do you account for that?

Mr. KASTEL. The records speak for themselves; if there was a loss there was a loss.

Mr. RICE. This was last winter, from November to March.

Mr. KASTEL. If there was a loss there was a loss.

Mr. RICE. When is your busy season?

Mr. KASTEL. About this time of the year; holiday time.

Mr. RICE. Do you generally lose money in the busy season?

Mr. KASTEL. Sometimes.

Mr. O'CONNOR. I object to that; he didn't say he lost money at all, sir—I withdraw that; pardon me. I withdraw that, Mr. Rice.

Mr. RICE. Now, sir, you said you paid Costello social security; you paid social security for him? Is it not true that his social security number, for Frank Costello, is O92-22-3576?

Mr. KASTEL. I do not know.

Mr. RICE. Can you find it on the record?

Mr. KASTEL. I haven't looked at that record.

The CHAIRMAN. All right. If that is what it shows on the record, why that must be it.

Mr. RICE (handing document to witness). Take a look at the record; see if you don't see it there.

Mr. KASTEL. If it is there, it's there. I don't have to look at it. You are good enough.

Mr. RICE. Now, then, who is Louis Joseph Costello?

Mr. KASTEL. He is an employee.

Mr. RICE. Is he related to Frank Costello?

Mr. KASTEL. Yes. That is his nephew.

Mr. RICE. That is his nephew. Now, where is Louis Joseph Costello located?

Mr. KASTEL. In the city of New Orleans.

Mr. RICE. What does he do for the Beverly?

Mr. KASTEL. He works.

Mr. RICE. What does he do?

Mr. KASTEL. He works there.

Mr. RICE. What type of work does he do?

Mr. CHAIRMAN. Well, does he work out in the club?

Mr. KASTEL. He works out in the club; yes, sir.

Mr. RICE. Does he work in the casino or the restaurant?

Mr. KASTEL. I refuse to answer the question about the casino.

Mr. RICE. Does he work in the restaurant?

Mr. KASTEL. I refuse to answer the question on the ground it may tend to incriminate me.

Mr. RICE. Did he work in the kitchen?

Mr. KASTEL. I refuse to answer the question.

Mr. RICE. Who is Jack T. Costello?

Mr. KASTEL. Jack T. Costello?

Mr. RICE. Yes. He shows on your payroll a number of times; Jack T. Costello.

Mr. KASTEL. I do not know.

Mr. RICE. You don't know him?

Mr. KASTEL. No.

Mr. RICE. Now then, Charles Murphy, the accountant: Is he paid on a fee basis or on a salary basis?

Mr. KASTEL. On a salary basis.

Mr. RICE. So that he is an employee. Do you deduct social security?

Mr. KASTEL. I wouldn't say whether it is on a salary or fee basis. He gets paid for his work. I don't know how technical it is.

Mr. RICE. Is social security deducted from payments for Mr. Murphy?

Mr. KASTEL. I don't know; I couldn't say.

Mr. RICE. Can you check the records and find out?

Mr. KASTEL. You can ask Mr. Murphy; that is the simplest way.

Mr. RICE. How about asking you? You know.

Mr. KASTEL. I would have to check it. I don't know; I couldn't say.

Mr. RICE. What are his arrangements?

Mr. KASTEL. He's an accountant and looks after all the books and records of the company.

Mr. RICE. Now, does he work in the club?

Mr. KASTEL. At times he works in the club; yes, sir.

Mr. RICE. Is he the same as Charles J. Murphy who appears on your payroll? Is he the same as Charles D. Murphy, the c. p. a.?

Mr. KASTEL. Charles B. Murphy is a c. p. a.

Mr. RICE. Yes. Do you have a Charles J.?

Mr. KASTEL. Charles J.?

Mr. RICE. Yes.

Mr. KASTEL. Not to my knowledge. I don't know who Charles J. is.

Mr. RICE. All right. Now then, how about E. F. Broussard? Who is he?

Mr. KASTEL. He is connected with Mr. Murphy's office.

Mr. RICE. Is he paid on a salary basis?

Mr. KASTEL. He is not paid by this company—only for extra work that he does at times.

Mr. RICE. He does what, at times?

Mr. KASTEL. Sometimes he may do some extra work.

Mr. RICE. Now, then, sir, when he does extra work and you pay him, do you deduct social security?

Mr. KASTEL. I don't say; I imagine it is deductible.

Mr. RICE. Your records show September 30, 1950, there was a payment of \$600 to Broussard for social security; does that refresh your recollection?

Mr. KASTEL. That it was deducted, you say?

Mr. RICE. Yes.

Mr. KASTEL. Well, if it is there, it was deducted.

Mr. RICE. Now, then, Solly Rappaport: Is he an employee?

Mr. KASTEL. I refuse to answer that question.

Mr. RICE. You refuse to answer whether or not Solly Rappaport is an employee?

Mr. KASTEL. On the ground that the question may tend to incriminate me.

Mr. RICE. What does Solly Rappaport do for Beverly?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

Mr. RICE. How about Mitchel A. Italiano? Does he work for the Beverly?

Mr. KASTEL. I don't know him.

Mr. RICE. You never heard of Mitchel A. Italiano. Do you have an employee named Italiano?

Mr. KASTEL. No, sir; I don't believe so.

Mr. RICE. Have you ever had?

Mr. KASTEL. It may be possible.

Mr. RICE. If the records show you have an employee?

Mr. KASTEL. If the records show, then it is possible.

Mr. RICE. Now, then, Peter Joseph Marcello: Is he an employee?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. The record shows that Peter Joseph Marcello is an employee. What does he do?

Mr. KASTEL. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. Is he a relative of Carlos Marcello?

Mr. KASTEL. I believe he is.

Mr. RICE. What relation?

Mr. KASTEL. His brother.

Mr. RICE. Do you know him?

Mr. KASTEL. I know him; yes.

Mr. RICE. What does he do for a living?

Mr. KASTEL. I refuse to answer that question on the grounds that it may tend to incriminate me.

Mr. RICE. What does Carlos Marcello do for a living?

Mr. KASTEL. You will have to ask him.

Mr. RICE. To your knowledge.

Mr. KASTEL. I don't know.

Mr. RICE. Isn't it true that Peter Joseph Marcello works in the casino at the club?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. All right. Anthony J. or Louis Cominotto: Is he an employee?

Mr. KASTEL. Yes, sir.

Mr. RICE. What does he do?

Mr. KASTEL. He is a chef.

Mr. RICE. He's a chef. Now, then, sir, what are your arrangements? Are you paid quarterly, weekly, or monthly?

Mr. KASTEL. Some departments it's weekly and some departments it's biweekly.

Mr. RICE. You personally, as president; how are you paid?

Mr. KASTEL. Monthly.

Mr. RICE. Now, then, do you draw a salary?

Mr. KASTEL. Yes, sir.

Mr. RICE. And, in addition to your salary, do you have any other income from the club?

Mr. KASTEL. No.

Mr. RICE. You are on a straight salary?

Mr. KASTEL. Yes.

Mr. RICE. Now, then, don't you also draw dividends?

Mr. KASTEL. If there are any dividends, I would draw them; sure.

Mr. RICE. What controls the declaration of dividends? Who decides that?

Mr. KASTEL. The amount of money on hand would decide that.

Mr. RICE. Yes. Now, who gets together and decides to declare a dividend?

Mr. KASTEL. The accountant.

Mr. RICE. The accountant does the deciding?

Mr. KASTEL. And myself.

Mr. RICE. You assist him?

Mr. KASTEL. Sir?

Mr. RICE. Do you assist him?

Mr. KASTEL. Do I assist the accountant?

Mr. RICE. Yes.

Mr. KASTEL. No. In what way?

Mr. RICE. What formula does he use for arriving at the amount of the dividend?

Mr. KASTEL. I don't know.

Mr. RICE. You are the president of the company.

Mr. KASTEL. I don't know.

Mr. RICE. You are disbursing some of the assets. What instructions does the accountant have?

Mr. KASTEL. I don't know.

Mr. RICE. You don't know?

Mr. KASTEL. I haven't given him any instructions recently.

Mr. RICE. Did you ever give him any instructions?

Mr. KASTEL. I have given him a lot of instructions.

Mr. RICE. Relating to dividends?

Mr. KASTEL. I couldn't answer that question.

Mr. RICE. Now, sir, the club is located in Jefferson Parish?

Mr. KASTEL. Yes, sir.

Mr. RICE. Who is the sheriff in Jefferson Parish?

Mr. KASTEL. Frank J. Clancy.

Mr. RICE. Do you know him?

Mr. KASTEL. Slightly.

Mr. RICE. Has he been in the club?

Mr. KASTEL. No, sir.

Mr. RICE. Never been in the club?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Now, sir, isn't it true that the club is open to the public?

Mr. KASTEL. Yes, sir.

Mr. RICE. And Clancy has never been in the club?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Is it possible he has been there without your knowledge?

Mr. KASTEL. I couldn't answer that.

Mr. RICE. Now, sir, isn't it true that the club operates outside the law?

Mr. KASTEL. Sir?

Mr. RICE. Isn't it true that the club operates outside the law?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

Mr. RICE. How do you make the arrangements to operate that way?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. Has any money been paid to any law-enforcement officer from the club?

Mr. KASTEL. I refuse—what was that question?

Mr. RICE. Has any money been paid to any law-enforcement officer from the club?

Mr. KASTEL. Any law enforcement officer from the club?

Mr. RICE. Yes.

Mr. O'CONNOR. He means, did you pay anybody.

Mr. KASTEL. Did I pay anybody? No. My answer is "No."

Mr. RICE. You are quite sure of that?

Mr. KASTEL. My answer is "No."

Mr. RICE. Has any law-enforcement officer drawn any money from the club?

Mr. KASTEL. No.

Mr. RICE. Has any money been paid to any law-enforcement officer, indirectly, from the club?

Mr. KASTEL. No.

Mr. RICE. Do you know Paul Cassagne?

Mr. KASTEL. Yes, sir.

Mr. RICE. What is his job?

Mr. KASTEL. I believe he is a deputy sheriff.

Mr. RICE. Has he ever been in the club?

Mr. KASTEL. I have seen him in the club.

Mr. RICE. What was he doing in the club?

Mr. KASTEL. He came to ask me to put some men to work.

Mr. RICE. Yes, sir. Now, who did he ask you to put to work?

Mr. KASTEL. Oh, I couldn't remember the names now. He asked me on several occasions if I had any room to put some men to work for him.

Mr. RICE. Yes, sir. Now, where did those conversations take place?

Mr. KASTEL. Sometimes downstairs in an office.

Mr. RICE. And sometimes in your upstairs office?

Mr. KASTEL. No; I have no office upstairs.

Mr. RICE. All right, sir. Has Cassagne ever been in the casino part of the club?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. Has Cassagne ever been in the casino part of the club with you?

Mr. KASTEL. I refuse to answer that question on the ground the question may tend to incriminate me.

Mr. RICE. As you go in the front door of the club, what is located immediately on your right? Is there a room there?

Mr. KASTEL. I refuse to answer that question on the ground that the question may tend to incriminate me.

Mr. RICE. Is it not true that in the room immediately to your right there are dice tables and roulette wheels?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. O'CONNOR. Let me shorten it for you. May I say something? When he says he refuses, let the rest of the answer follow, sir.

The CHAIRMAN. Yes; we understand.

Mr. O'CONNOR. You understand? All right. That will save some time.

The CHAIRMAN. Yes.

Mr. RICE. Are there any deputy sheriffs on the payroll of the Beverly Club?

Mr. KASTEL. I don't know if any employees are deputy sheriffs.

Mr. RICE. Do you have an employee named Roth?

Mr. KASTEL. What is the name?

Mr. RICE. Roth; R-o-t-h.

Mr. KASTEL. I couldn't say without the records.

Mr. RICE. Do you have an employee named Cy Ernst?

Mr. KASTEL. No, sir.

Mr. RICE. Do you know Cy Ernst?

Mr. KASTEL. Slightly.

Mr. RICE. Isn't it true that he drives you home occasionally?

Mr. KASTEL. Occasionally; yes.

Mr. RICE. Isn't Cy Ernst a deputy sheriff?

Mr. KASTEL. Yes; he is a deputy sheriff.

Mr. RICE. Now, then, what is he paid for that?

Mr. KASTEL. He is not paid.

Mr. RICE. Doesn't he draw some \$25 a week for driving you home?

Mr. KASTEL. Not that I know of.

Mr. RICE. Is it possible that he does?

Mr. KASTEL. I won't say it is possible or it's not possible.

Mr. RICE. Why does he drive you home? You drive, don't you?

Mr. KASTEL. Not always; not always. I had an accident and I haven't driven for a long time. There have been a lot of stick-ups in that neighborhood, and he drives me home the same as he would likely drive you home if you asked him, or anybody else.

Mr. RICE. I see; and for that service he gets paid.

Mr. KASTEL. I don't pay him for any service at all.

Mr. RICE. Have you ever paid him anything?

Mr. KASTEL. Not to my knowledge. No; I don't believe so.

Mr. RICE. He does this as a favor to you, then?

Mr. KASTEL. He doesn't drive me often enough to call it a favor, or anything else.



Mr. RICE. How about Roth; does he drive you?

Mr. KASTEL. I don't know Roth.

Mr. RICE. Do you use an armored-car service?

Mr. KASTEL. No, sir.

Mr. RICE. Are the receipts for the evening at the club maintained on the club premises? Is there a safe there?

Mr. KASTEL. Yes, sir.

Mr. RICE. And do you carry large sums with you when you leave?

Mr. KASTEL. At times.

Mr. O'CONNOR. I object to that question, not only for the purpose of the record but for other reasons. You can understand that, Senator.

Mr. RICE. Now, do you know any officers on the Louisiana State Highway Patrol, or State police?

Mr. KASTEL. Do I know any officers?

Mr. RICE. Yes.

Mr. KASTEL. Know them in what way?

Mr. RICE. Well, for instance, do you know any officers who might bring you license plates?

Mr. KASTEL. No.

Mr. RICE. On January 18, 1951, a uniformed officer of the Louisiana State Police delivered to your office and placed on your desk some Louisiana automobile tags. What do you have to say about that?

Mr. KASTEL. I have nothing to say about it. I don't know anything about it.

Mr. RICE. Where do you get your license plates?

Mr. KASTEL. We make application for them the same as everybody else.

Mr. RICE. Have you ever seen any State police in the club?

Mr. KASTEL. Sometimes, for an inquiry.

Mr. RICE. For an inquiry?

Mr. KASTEL. Yes; about an accident, or something of that kind.

Mr. RICE. Now, sir, do you maintain any rooms at the Roosevelt Hotel?

Mr. KASTEL. Yes, sir.

Mr. RICE. How many?

Mr. KASTEL. Two rooms.

Mr. RICE. Two rooms.

Mr. KASTEL. Yes.

Mr. RICE. On a year-around basis?

Mr. KASTEL. Yes, sir.

Mr. RICE. In your name?

Mr. KASTEL. Yes, sir.

Mr. RICE. What is the telephone number there?

Mr. KASTEL. The hotel telephone?

Mr. RICE. No; your private line.

Mr. KASTEL. I don't care to give that private line number out. Why should I?

Mr. RICE. So you have a private line there, do you not?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now then, who pays for the rooms? Do you pay for them personally or is it charged to the club?

Mr. KASTEL. Part of it is charged to the club for expenses.

Mr. RICE. For expenses for what?

Mr. KASTEL. For expenses for the club; as an office.

Mr. RICE. In connection with what? As an office?

Mr. KASTEL. Yes, sir.

Mr. RICE. Is this an office?

Mr. KASTEL. It is an office. I don't sleep there.

Mr. RICE. Are there any beds there?

Mr. KASTEL. Yes, sir.

Mr. RICE. Occasionally do guests stay there?

Mr. KASTEL. What do you mean by "guests"?

Mr. RICE. Well, your guests. Do you occasionally invite guests to stay in the rooms?

Mr. KASTEL. Sometimes; yes.

Mr. RICE. Did Frank Costello ever stay there?

Mr. KASTEL. No, sir.

Mr. RICE. Jack Lansky?

Mr. KASTEL. No, sir.

Mr. RICE. Joe Adonis.

Mr. KASTEL. No, sir.

Mr. RICE. Do you know Joe Adonis?

Mr. KASTEL. Yes, sir.

Mr. RICE. Has he been to New Orleans?

Mr. KASTEL. Not to my knowledge in quite a long time.

Mr. RICE. When was the last time he was down here?

Mr. KASTEL. I couldn't say. It was a long time ago.

Mr. RICE. What is his right name?

Mr. KASTEL. I don't know.

Mr. RICE. Isn't it Joe Doto?

Mr. KASTEL. I couldn't say.

Mr. RICE. Was he at the Beverly Club when he was down?

Mr. KASTEL. Yes, sir.

Mr. RICE. How about Jerry Cateno? Do you know him?

Mr. KASTEL. Yes, sir.

Mr. RICE. Where is he from?

Mr. KASTEL. I couldn't say.

Mr. RICE. Was he at the Beverly Club?

Mr. KASTEL. I believe he was; yes.

Mr. RICE. Did he stay at the Roosevelt when he was there?

Mr. KASTEL. I think so.

Mr. RICE. Did he stay in your room?

Mr. KASTEL. No, sir; not to my knowledge.

Mr. RICE. Now, is it not true considerable sums of money have been paid and sent to Costello in New York by the club?

Mr. KASTEL. Any money that has been paid to Mr. Costello is on the books of the company.

Mr. RICE. Yes, sir. Now, in 1944, Costello left a package with \$27,000 in a taxicab in New York. He said that fifteen thousand of this money was sent to him by Phil Kastel in Louisiana. What was that money sent to him for?

Mr. KASTEL. I can't tell you now. I can't remember.

Mr. RICE. This was in cash money. Do you send cash money to New York?

Mr. KASTEL. I didn't say that I did send it.

Mr. RICE. Now, sir, you said you sent considerable sums of money—

Mr. KASTEL. Whatever is on the record of the books. If it is shown on the books that is what it is.

Mr. RICE. I want to ask you this: Have you ever sent cash money to Costello?

Mr. KASTEL. I refuse to answer that question on the grounds that the question may tend to incriminate me.

Mr. RICE. If Costello said that you did would he be wrong?

Mr. KASTEL. I am not accountable for what Costello says.

Mr. RICE. Do you recall sending money in any other form than checks to Costello in New York?

Mr. KASTEL. I can't answer that question.

Mr. RICE. Does Costello retain money at the club that belongs to him? Cash money.

Mr. KASTEL. I couldn't answer that question. I refuse to answer that question.

The CHAIRMAN. Well, Mr. Kastel, the thing about it is that Costello said that out of this twenty-five thousand, \$15,450 of the money was money sent to him by his Louisiana partner, Phil Kastel, and apparently the idea being that it belonged to you and that he could get it back on that basis.

Mr. O'CONNOR. Did he say that in a court of record or is that in a newspaper account?

The CHAIRMAN. No; that was in a court of record. Did he receive some money that belonged to you? That is what we want to know.

Mr. KASTEL. It is possible that there might have been a difference. I might have owed him some money at that time.

The CHAIRMAN. \$15,000?

Mr. KASTEL. It is possible.

The CHAIRMAN. All right, then.

Mr. RICE. Do you know Tony Logan?

Mr. KASTEL. Yes, sir.

Mr. RICE. Who is he?

Mr. KASTEL. What do you mean, who is he?

Mr. RICE. Who is he? Where is he from?

Mr. KASTEL. He is an individual.

Mr. RICE. Where is he from?

Mr. KASTEL. I believe he is from Chicago.

Mr. RICE. He's from Chicago?

Mr. KASTEL. Uh-huh.

Mr. RICE. Where does he live?

Mr. KASTEL. I don't know.

Mr. RICE. How do you get in touch with him?

Mr. KASTEL. I can't tell you where he lives.

Mr. RICE. Now, sir, do you have any business with Tony Logan?

Mr. KASTEL. No, sir.

Mr. RICE. Have you ever had any business with Tony Logan?

Mr. KASTEL. Yes, sir.

Mr. RICE. What business?

Mr. KASTEL. I refuse to answer on the grounds that the question may tend to incriminate me.

Mr. RICE. Isn't it true that you participate in a football pool with Tony Logan?

Mr. KASTEL. I refuse to answer on the same grounds.

Mr. RICE. Isn't it true that the football pool you engage in with Tony Logan is one of the largest in the country?

Mr. KASTEL. I refuse to answer on the same grounds.

Mr. RICE. Where did you do business with Tony Logan?

Mr. KASTEL. I refuse to answer that question on the same grounds.

Mr. RICE. Has he been to New Orleans?

Mr. KASTEL. I refuse to answer that question on the same grounds.

Mr. RICE. Now, sir, have you ever telephoned to Logan at Memphis, Tenn.?

Mr. O'CONNOR. What about?

Mr. KASTEL. Telephoned to Logan about that?

Mr. RICE. That's what I would like to know.

Mr. KASTEL. I don't know.

Mr. RICE. Do you know how to locate him on the telephone?

Mr. KASTEL. Not now; no.

Mr. RICE. Have you ever talked to him on the telephone?

Mr. KASTEL. Possible.

Mr. RICE. When was the last time you talked to him?

Mr. KASTEL. I couldn't say.

Mr. RICE. Where was he when you last talked to him?

Mr. KASTEL. I can't tell you.

Mr. RICE. Did you have any part of the business with him in Memphis?

Mr. KASTEL. In Memphis, Tenn.?

Mr. RICE. Yes.

Mr. KASTEL. I never had any business in Memphis, Tenn.

Mr. RICE. Did Tony Logan have business there?

Mr. KASTEL. I couldn't answer for Tony Logan.

Mr. RICE. Did you ever talk to him on the telephone at Memphis?

Mr. KASTEL. It's possible.

Mr. RICE. Now, sir, if it is possible, what did you talk about?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. All right, sir. Now, do you know Allen Smiley?

The CHAIRMAN. Just a second. How long ago has it been since you had any business with Mr. Logan?

Mr. KASTEL. Oh, it must be a year ago, Senator.

The CHAIRMAN. What was the name of the company? Or was it a corporation?

Mr. KASTEL. No company. I might have made some wagers with him on football, the same as you or anybody else might have in some other way.

The CHAIRMAN. I mean, it wasn't anything with any company?

Mr. KASTEL. No company; no, sir.

The CHAIRMAN. Was he in the football pool business? Was that his business?

Mr. KASTEL. I believe he handled—he was a manipulator of football, and he was an authority on football.

The CHAIRMAN. Let's go on.

Mr. RICE. Would you call him a betting commissioner?

Mr. KASTEL. Possible.

Mr. RICE. Do you know Allen Smiley?

Mr. KASTEL. Not very well.

Mr. RICE. When did you last see Allen Smiley?

Mr. KASTEL. I saw him in New Orleans, possibly about a year ago: a year and a half ago.

Mr. RICE. Where is he from?

Mr. KASTEL. I don't know.

Mr. RICE. Is he a friend of Bugsy Siegel?

Mr. KASTEL. I don't know.

Mr. RICE. The late Bugsy Siegel, that is.

Wasn't Smiley in the room with Bugsy Siegel when he was murdered in Los Angeles?

Mr. KASTEL. I wasn't there. How do I know?

Mr. RICE. Did Smiley ever tell you about that?

Mr. KASTEL. No, sir.

Mr. RICE. Has Smiley ever been in the club?

Mr. KASTEL. I was never that intimate with him.

Mr. RICE. Was Smiley ever in the Beverly Club?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Where did you see Smiley?

Mr. KASTEL. At the Roosevelt.

Mr. RICE. What is that?

Mr. KASTEL. At the Roosevelt.

Mr. RICE. Did Smiley stay in your rooms at the Roosevelt?

Mr. KASTEL. I believe he did, for a couple of days. He wasn't able to get a room.

Mr. RICE. Did Frank Costello ever stay there?

Mr. KASTEL. No, sir.

Mr. RICE. Are you quite certain that Frank Costello never stayed in your rooms at the Roosevelt Hotel? Think hard.

Mr. KASTEL. What do you mean by "stay there?" Did he sleep there?

Mr. RICE. Sleep there; yes.

Mr. KASTEL. No, sir; not to my knowledge. He always got rooms of his own, and he registered in the hotel when he was in town.

Mr. RICE. I see. Did he use your rooms when he was——

Mr. KASTEL. It is quite possible. During the day he might have used the rooms to play cards in and make a few telephone calls.

Mr. RICE. Now, sir, was it possible that he ever stayed at the Roosevelt in your rooms and did not register in another room?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Is it possible?

Mr. KASTEL. Anything is possible.

Mr. RICE. Do you want to say that he never did stay in your rooms?

Mr. O'CONNOR. He wanted to say what he answered you, Counsel: not to his knowledge. That's the answer he made.

Mr. RICE. Costello never stayed in your rooms overnight?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. All right, sir.

Now, then, have you ever been arrested?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. Well, before we get off that:

If he stayed in your room would you know about it, Mr. Kastel?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. Well, I think I should tell you that the record shows that he has stayed, or at least he used your apartment on two

occasions at least, and that the bills were charged to your room, 1252, to your account.

Mr. KASTEL. For incidentals.

The CHAIRMAN. That is according to the Roosevelt Hotel.

Mr. KASTEL. For incidentals. It is possible that he stayed there during the day, Senator, and used the telephone and possibly had lunch, or something of that kind.

The CHAIRMAN. Well, from March 2 to March 11, 1946, for instance—

Mr. KASTEL. Well, I couldn't go back that far.

The CHAIRMAN. And at other times, his bills were charged to your room.

Mr. KASTEL. There is no point in saying he didn't stay there.

The CHAIRMAN. We just wanted to get the facts about it.

Mr. KASTEL. Yes; but I don't want—

The CHAIRMAN. Now, before you leave Allen Smiley, this fellow Smiley—as a matter of fact, the records show that he stayed in your room, or apartment, 44 times, in the hotel, from 1936 up to 1950.

Mr. KASTEL. From 1936 to 1950.

The CHAIRMAN. Yes. Visiting from 3 days to 91 days.

Mr. KASTEL. To what?

The CHAIRMAN. Ninety-one days.

Mr. KASTEL. Oh, no; that is impossible.

The CHAIRMAN. That is according to the records at the Roosevelt Hotel.

Mr. KASTEL. That is impossible.

The CHAIRMAN. Allen Smiley—

Mr. KASTEL. You are talking about Smiley, aren't you?

The CHAIRMAN. No; I was talking about Costello.

Mr. KASTEL. Oh, oh, oh. Well, Costello would come here and he would use the room during the day and, as I say, play cards, likely have lunch, but he wouldn't sleep there.

The CHAIRMAN. Well, it shows he was registered in your room 44 times for a total of 466 days, in the last 14 years.

Of course, it isn't any crime, but we just wondered why you said he never stayed there.

Mr. KASTEL. No; I can't remember it, Senator. Every time he came here he came with Mrs. Costello and they would get a room or a suite of their own.

The CHAIRMAN. That is according to the records of the Roosevelt.

Mr. KASTEL. I couldn't say.

Mr. RICE. What is your room number there?

Mr. KASTEL. 562. They changed the rooms recently.

The CHAIRMAN. It was 1252?

Mr. KASTEL. Oh, that's a long time ago.

The CHAIRMAN. Now, before you leave Allen Smiley: Allen Smiley comes from Los Angeles, doesn't he?

Mr. KASTEL. Only from what I see or read in the newspapers.

The CHAIRMAN. Did you have any business dealings with him?

Mr. KASTEL. No, sir; none whatever at any time.

The CHAIRMAN. Did he do some work for the Beverly Club?

Mr. KASTEL. No, sir.

The CHAIRMAN. Wasn't he on the payroll at one time?

Mr. KASTEL. No, sir.

The CHAIRMAN. Is he the fellow who is a friend of Mickey Cohen's out there?

Mr. KASTEL. I couldn't say; I don't know the man, Cohen.

The CHAIRMAN. Do you know Mickey Cohen?

Mr. KASTEL. No, sir.

The CHAIRMAN. You never saw him?

Mr. KASTEL. I never saw him in my life.

The CHAIRMAN. All right. Go ahead.

Mr. RICE. Do you know Sam Massio?

Mr. KASTEL. Yes, sir.

Mr. RICE. Where is he located?

Mr. KASTEL. I believe he's located in Galveston.

Mr. RICE. What is his business?

Mr. KASTEL. I believe the man is in the restaurant business: amusement business.

Mr. RICE. Have you done any business with Massio?

Mr. KASTEL. No, sir.

Mr. RICE. Now, sir, did you say that you had been arrested?

Mr. KASTEL. Yes, sir.

Mr. RICE. When was that?

Mr. KASTEL. Oh, a long time ago.

Mr. RICE. When was the first time?

Mr. KASTEL. Twenty-some-odd years ago.

Mr. RICE. Twenty-some-odd years ago. Were you arrested in February 1918, in New York City, for extortion?

Mr. KASTEL. No, sir. What? Are you trying to embarrass somebody here?

Mr. RICE. I am asking you a question, sir.

Mr. KASTEL. I am giving you an answer. If you look at your record you will find that I was acquitted and I sued and I was awarded damages.

Mr. RICE. I asked you if you were arrested.

Mr. KASTEL. I won't answer that question.

Mr. O'CONNOR. In all fairness to him, if that record shows he was awarded damages that question should not be asked this man. I think that is an outrageous proposition to present here.

The CHAIRMAN. Well, just for your—

Mr. O'CONNOR. If he was awarded damages by a court of competent jurisdiction that question is an outrageous question to ask.

The CHAIRMAN. Well, Mr. O'Connor, don't get excited. The record does not show he was awarded any damages. It shows that he was—

Mr. O'CONNOR. But the record, as far as your investigators had other records to furnish, Senator, and look into, find out the true facts into it—

The CHAIRMAN. He has a perfect right, and we are giving him plenty of opportunity to make any explanation about it he wants to. The record shows that in February 1918, in New York City—

Mr. O'CONNOR. He intends to humiliate and degrade people. I hope you are never in that position, Senator.

The CHAIRMAN. I was trying to tell you what the record says, sir: "Extortion" and "dismissed by Judge Mulqueen, general sessions court."

Mr. KASTEL. I sued for false arrest and imprisonment, and was awarded damages.

The CHAIRMAN. It does not say anything about it.

Mr. KASTEL. I can't help what it doesn't say.

The CHAIRMAN. I am glad you have made that explanation.

Mr. RICE. How much damages did you recover?

Mr. KASTEL. I can't recall. I gave it to charity at the time. I wouldn't use the money.

Mr. RICE. Was it more than \$10?

Mr. KASTEL. Yes, sir.

Mr. RICE. Was it more than a hundred?

Mr. KASTEL. Oh, well; let's not go into that.

The CHAIRMAN. All right. Let's go on.

Mr. KASTEL. You are trying to persecute people instead of letting me help the committee.

Mr. RICE. When was the next time you were arrested?

Mr. KASTEL. You have the record there.

Mr. RICE. Were you arrested on December 6, 1926, at Fonda, N. Y., for grand larceny?

Mr. KASTEL. Yes, sir. I was tried three times in Federal court and until my dying day I will say I was not guilty; that it was a miscarriage of justice. In other words, I believe I was framed to this present day.

Mr. RICE. Now, sir, were you sentenced in connection with that charge?

Mr. KASTEL. Yes, sir.

Mr. RICE. You received 3½ to 8 years in the penitentiary.

Mr. KASTEL. I took the case to the United States Supreme Court.

Mr. RICE. All right, sir. Were you arrested again in February of 1930 for grand larceny?

Mr. KASTEL. No, sir. That's out of the same case; it is all the same case.

The CHAIRMAN. The only other one was in 1928, on using the mails to defraud.

Mr. KASTEL. That is out of the same case, Senator.

The CHAIRMAN. Was that on the same one?

Mr. KASTEL. Yes, sir.

Mr. RICE. Did you serve time in Atlanta on that?

Mr. KASTEL. Yes, sir. I paid my penalty, and there is no reason for you to try to embarrass me.

Mr. RICE. How much time did you spend in Atlanta?

Mr. KASTEL. You have the record there.

Mr. RICE. Don't you recall?

Mr. O'CONNOR. Do you think that that is pertinent to this investigation, Senator?

The CHAIRMAN. Well, we have asked about it, and he has testified. The record we have here shows that 3 years, but I had understood it was less than that. So I don't know. That is the reason we were asking.

All right. Anything else?

I just wanted to ask one or two questions.

Have you been raided out at the club, out at the Beverly Club, at any time?

Mr. KASTEL. Raided? Not to my knowledge; no, sir.



The CHAIRMAN. Now tell us how this Whitely's scotch-whisky deal worked and how long was that contract in operation. You formed the Atlas Distributing—

Mr. KASTEL. Alliance Distributors.

The CHAIRMAN. I mean Alliance Distributors, and as I understand the note was signed by Mr. Haim and it was payable to Mr. Helis. Is that correct?

Mr. KASTEL. That is right.

The CHAIRMAN. \$325,000, and endorsed by you and Mr. Costello, and for that you got the exclusive right, or some right, in connection with King's Ransom and House of Lords.

Mr. KASTEL. That is right.

The CHAIRMAN. Was that for the whole United States?

Mr. KASTEL. For the whole United States; yes, sir.

The CHAIRMAN. And then you mean you got a percentage, a small percentage, for selling?

Mr. KASTEL. I got a small percentage per case, which amounted to, in English moneys, it would be 6 pence per case, which amounted to 50 to 60 cents per case. It ran into anywhere from thirty-five to fifty thousand dollars a year.

The CHAIRMAN. The note was put up as collateral just to have working capital. Is that right?

Mr. KASTEL. At that time I believe; yes.

The CHAIRMAN. It ran into how much a year?

Mr. KASTEL. Thirty-five to fifty thousand dollars a year.

The CHAIRMAN. How many years did you and Mr. Costello have that?

Mr. KASTEL. Mr. Costello had nothing to do with that.

The CHAIRMAN. He just signed the note to help you out?

Mr. KASTEL. He just signed the note as a coendorser to help me out; yes, sir.

The CHAIRMAN. He had no part in the business?

Mr. KASTEL. No part of that money at all.

The CHAIRMAN. You were the entire Alliance Distributors?

Mr. KASTEL. No, sir; I was not. I was not. I had nothing to do with the Alliance Distributors. I was interested in the parent company in Europe.

The CHAIRMAN. What was that company?

Mr. KASTEL. The William Whitely Co.

The CHAIRMAN. I see. Who were the Alliance Distributors?

Mr. KASTEL. Irving Haim, and—I don't know: some of his other relatives, I believe.

The CHAIRMAN. Costello?

Mr. KASTEL. Costello was never interested in the Alliance Distributors.

The CHAIRMAN. Which one was Mr. Helis interested in?

Mr. KASTEL. He wasn't interested in either one of them while I was there.

Mr. RICE. Now, sir, do you go to the club every night, substantially?

Mr. KASTEL. Substantially; yes.

Mr. RICE. And are you in direct charge there?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir. At the end of the day who makes up—who checks up on what money is taken in?

Mr. KASTEL. At the end of the day? The cashier.

Mr. RICE. What is his name?

Mr. KASTEL. Tanico.

Mr. RICE. Michael Tanico?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now then, does he take care of the receipts from the restaurant and the casino?

Mr. KASTEL. Yes, sir.

Mr. RICE. He is in charge of both?

Mr. KASTEL. No, sir. I am not talking about the casino. You asked me about the cashier.

Mr. RICE. All right, sir. Who is in charge of the casino?

Mr. KASTEL. I refuse to answer that question on the ground the question may tend to incriminate me.

The CHAIRMAN. Well, let's see. Does one man look after everything out there, whatever it may be, as far as the cashier part is concerned?

Mr. KASTEL. There may be some other people: sometimes Mr. Murphy comes in or Mr. Broussard, and may help out.

Mr. RICE. Now, are you there when the receipts are counted up?

Mr. KASTEL. Not always.

Mr. RICE. Are you there occasionally?

Mr. KASTEL. Occasionally.

Mr. RICE. Now, who else is permitted there when you settle up? You and Mr. Murphy and Tanico?

Mr. KASTEL. Mr. Murphy isn't there often at all.

Mr. RICE. Broussard?

Mr. KASTEL. Not very often.

Mr. RICE. Anyone else?

Mr. KASTEL. There are other people there.

Mr. RICE. For instance? What other people?

Mr. KASTEL. Well, there is a checker for the restaurant and he checks up.

Mr. RICE. What is his name? What's the checker for the restaurant's name?

Mr. KASTEL. I can't think of his last name. It's a short name.

Mr. RICE. What is his first name?

Mr. KASTEL. Saul. S-a-u-l.

Mr. RICE. Saul?

Mr. KASTEL. Yes.

Mr. RICE. All right. Who else is there?

Mr. KASTEL. Another checker is there: a boy by the name of Roberti.

Mr. RICE. Roberti?

Mr. KASTEL. Yes.

Mr. RICE. What does he check?

Mr. KASTEL. He checks the cash.

Mr. RICE. What department?

Mr. KASTEL. The restaurant.

Mr. RICE. Both Saul and Roberti check the cash in the restaurant?

Mr. KASTEL. Yes, sir.

Mr. RICE. Anyone else?

Mr. KASTEL. Cashier of the cocktail lounge.

Mr. RICE. What is his name?

Mr. KASTEL. Higgins.

Mr. RICE. Anyone else?

Mr. KASTEL. I believe that would cover it.

Mr. RICE. Now then, are these receipts reduced to a sheet? Do you make a daily run-down sheet or daily—

Mr. KASTEL. They make a daily record and make a deposit in the bank every night.

Mr. RICE. Have you turned those records over to us?

Mr. KASTEL. Yes, sir.

Mr. RICE. Is every cent that is taken in reflected in those sheets?

Mr. KASTEL. Yes, sir.

Mr. RICE. In the whole club?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now, in connection with the payment of employees, are any employees paid anything over their salary, for entertainment or any other thing?

Mr. KASTEL. No, sir.

Mr. RICE. All of the payments made to employees are shown in your salary lists?

Mr. KASTEL. Yes, sir.

Mr. RICE. There are no extra funds available for entertainment of customers?

Mr. KASTEL. Whatever money is spent for entertainment of customers goes on the books, and records.

Mr. RICE. It goes on the books. What is that called, on the books?

Mr. KASTEL. I imagine it is called entertainment or advertising.

Mr. RICE. What would be some of those things that would be—some of the reasons for spending? Buying them cigarettes? Do you furnish cigarettes to your patrons?

Mr. KASTEL. Not to my knowledge.

Mr. RICE. Do you furnish drinks?

Mr. KASTEL. Occasionally we might furnish some drinks to some people in the dining room, or in the cocktail lounge.

Mr. RICE. Those are charged on the books as what? Expenses?

Mr. KASTEL. Yes, sir.

Mr. RICE. Who are some of the employees who are permitted to authorize the giving of drinks to patrons, and charge them against expense?

Mr. KASTEL. Mr. Brown.

Mr. RICE. Mr. Brown?

Mr. KASTEL. Yes.

Mr. RICE. What is his name?

Mr. KASTEL. Joe Brown.

Mr. RICE. What is his right name?

Mr. KASTEL. That is his right name. (Aside) This is a suspicious guy.

Mr. RICE. Now then, other than Frank Costello, do you have any other employees in the good-will department?

Mr. KASTEL. No, sir.

Mr. RICE. Frank Costello is the "member sole" of the good-will department?

Mr. KASTEL. And looks after entertainment.

Mr. RICE. Entertainment. What do you mean?

Mr. KASTEL. He will check entertainment and see certain acts in New York that we may like and he may call me and say that such and

such an act is so and so. I may say the price is too high, or something of that kind, and he will try to negotiate with them and call me and say "I think I can get that particular act for a certain figure." And we will either close it or not close it.

Mr. RICE. He is authorized to close it out and send them down?

Mr. KASTEL. He doesn't authorize it. We discuss it and see whether it fits that particular time of the year or whether it fits the particular room—

Mr. RICE. And when he reaches an agreement he closes the deal with the entertainment—

Mr. KASTEL. No, he will tell me and I will close it. I will call the agent; they will send up a contract and we will sign it.

Mr. RICE. If there is a difference of opinion as to whether the act should be put on or not, whose opinion controls?

Mr. KASTEL. Well, it isn't that technical. Sometimes I will believe that they will take my word in preference to his own because I happen to be right on the ground.

Mr. RICE. Is he an officer?

Mr. KASTEL. You will have to look at the record.

Mr. RICE. Don't you know?

Mr. KASTEL. Look at the record, please.

Mr. RICE. Don't you know?

(No response.)

Mr. RICE. Do you know whether or not Costello is an officer?

Mr. KASTEL. I refuse to answer that question.

Mr. RICE. On what ground?

Mr. KASTEL. I don't know whether it will incriminate me or not, but I will have to look at the record to refresh my memory.

The CHAIRMAN. We don't have the record here.

Mr. KASTEL. Well, I haven't got it. You asked me to bring in the book tomorrow. We talked about that. I will bring it in. The minute book; that is what you want.

The CHAIRMAN. All right.

Mr. RICE. I believe we noticed some payments to the Louisiana Music Co.; some checks drawn to the Louisiana Music Co. What business do you have with that company?

Mr. KASTEL. That is a company that supplies wired music. When the orchestra is not working they turn a switch and the wired music comes on.

Mr. RICE. I see. With whom do you do business in connection with that company?

Mr. KASTEL. I believe it is done direct with one of the heads of the company. It is a contract that has been in force.

The CHAIRMAN. I think we have had enough.

Will you get that minute book and some other information we wanted?

Mr. KASTEL. What else do you want?

Mr. RICE. The names of the officers and directors.

The CHAIRMAN. Will you get all of that in?

Mr. KASTEL. What time do you want that here, Senator?

The CHAIRMAN. Let's say after the noon recess tomorrow. Also, you are going to find out what this check is about, for \$3,400.

Mr. KASTEL. Yes, sir.

The CHAIRMAN. We will have a 5-minute recess.  
 (Witness Kastel excused.)  
 (Short recess.)

**TESTIMONY OF JOHN J. GROSCH, CRIMINAL SHERIFF, ORLEANS PARISH, NEW ORLEANS, LA., ACCOMPANIED BY RICHARD A. DOWLING, ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. You do solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GROSCH. I do.

The CHAIRMAN. What is your address, Mr. Grosch?

Mr. GROSCH. 6168 Canal Boulevard, New Orleans.

The CHAIRMAN. In the city limits?

Mr. GROSCH. Yes, sir.

The CHAIRMAN. And Richard Dowling, attorney at law, Maison Blanche Building.

Mr. RICE. Mr. Grosch, you are appearing here in response to a subpoena?

Mr. GROSCH. Yes, sir.

Mr. RICE. Did you turn over certain records?

Mr. GROSCH. I did, sir.

The CHAIRMAN. All right. You haven't been sworn, have you?

Mr. GROSCH. No, sir.

The CHAIRMAN. You solemnly swear to testify to the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GROSCH. I do.

Mr. RICE. Mr. Grosch, what is your job?

Mr. GROSCH. I am criminal sheriff of the parish of Orleans.

Mr. RICE. And how long have you been such?

Mr. GROSCH. Since May 6, 1946.

Mr. RICE. And what did you do before that?

Mr. GROSCH. I was chief of detectives for 16 years prior to that, and 9 years a patrolman and detective with the New Orleans Police Department.

Mr. RICE. What did you do before that?

Mr. GROSCH. Before that I was in the Navy. I sailed on the Great Lakes. I worked in the cotton mills.

Mr. RICE. When you say you were on the police department, that is the New Orleans Police Department?

Mr. GROSCH. That is right.

Mr. RICE. Until 1946; is that correct?

Mr. GROSCH. That is correct.

Mr. RICE. Now, sir, what type of automobile do you own?

Mr. GROSCH. Personally, I own none.

Mr. RICE. What type of automobile do you drive?

Mr. GROSCH. A Cadillac.

Mr. RICE. Whose name is that in?

Mr. GROSCH. That Cadillac is in the name of the criminal sheriff's office of the parish of Orleans.

Mr. RICE. And where was that obtained from?

Mr. GROSCH. New Orleans.

Mr. RICE. And do you own any other automobiles?

Mr. GROSCH. Not personally; no.

Mr. RICE. Did you ever receive an automobile from Carlos Marcello?

Mr. GROSCH. I did not.

Mr. RICE. Did you ever receive one from Louis Battalamente?

Mr. GROSCH. I did not.

Mr. RICE. Or any member of your family?

Mr. GROSCH. No, sir; they did not.

Mr. RICE. Now, sir, do you know G. A. Brennan?

Mr. GROSCH. Yes, sir; I do.

Mr. RICE. Did you ever receive any money from him?

Mr. GROSCH. I did not.

Mr. RICE. Do you know Lehman Jacobs?

Mr. GROSCH. Yes, sir; I do.

Mr. RICE. Did you ever receive anything from Lehman Jacobs?

Mr. GROSCH. I did not.

Mr. RICE. Did you ever receive a diamond from him?

Mr. GROSCH. I did not.

Mr. RICE. Did you ever buy a diamond from him?

Mr. GROSCH. I did not.

Mr. RICE. Do you know Morris Reiner?

Mr. GROSCH. I do.

Mr. RICE. Did he ever give you a diamond?

Mr. GROSCH. No, sir; he did not.

Mr. RICE. Did you ever buy a diamond from him?

Mr. GROSCH. Yes, sir. Yes, I bought a cheap diamond pin from him, I believe, some years ago.

Mr. RICE. Now, sir, at the time you bought your house—Do you mean a house on Canal?

Mr. GROSCH. On Canal Boulevard.

Mr. RICE. Any mortgage on that?

Mr. GROSCH. No, sir.

Mr. RICE. Was there ever a mortgage on that?

Mr. GROSCH. I think there was.

Mr. RICE. In what amount?

Mr. GROSCH. Oh, four or five thousand.

Mr. RICE. Who held the mortgage?

Mr. GROSCH. I don't remember.

Mr. RICE. Was it Monte Hart?

Mr. GROSCH. Yes, it was Monte Hart.

Mr. RICE. He died?

Mr. GROSCH. He died. He killed himself.

Mr. RICE. Didn't the mortgage then go to George Brennan?

Mr. GROSCH. No; I think it was another mortgage for \$4,000.

Mr. RICE. What was that on?

Mr. GROSCH. Oh, that was on the same house. I cleared the mortgage out with Monte Hart.

Mr. RICE. Now, sir, you cleared it up when Monte Hart had it?

Mr. GROSCH. Yes, sir.

Mr. RICE. Now when you came on the police department, in the 1920's, what was your grade there?

Mr. GROSCH. I was supernumerary patrolman.

Mr. RICE. Patrolman. Did you buy a house on Cortez and Roman in 1925?

Mr. GROSCH. No, sir; I did not.

Mr. RICE. When did you buy it?

Mr. GROSCH. I built a home through the Homestead in 1929.

Mr. RICE. 1929. Was there a mortgage on that?

Mr. GROSCH. Yes, I bought it through the Homestead. There had to be a mortgage.

Mr. RICE. Where were payments made on that mortgage?

Mr. GROSCH. To the Homestead.

Mr. RICE. Now, what did you put down on that house?

Mr. GROSCH. I don't remember. I cannot remember that long back.

Mr. RICE. Isn't it true it was a \$7,500 mortgage on the house?

Mr. GROSCH. I don't know. I don't remember.

Mr. RICE. That in 1926 you made two \$1,000 curtailments in February?

Mr. GROSCH. I don't remember.

Mr. RICE. Is it possible that you did?

Mr. GROSCH. I don't remember. I am not going to say anything is possible or impossible if I don't remember.

Mr. RICE. In 1926 did you have any income in addition to your salary as a police officer?

Mr. GROSCH. No, sir. I did not.

Mr. RICE. If the records show that you made two \$1,000 curtailments, is that possible.

Mr. DOWLING. Ask him what he means.

Mr. GROSCH. What do you mean by curtailments?

Mr. RICE. Curtailments on your \$7,500 mortgage.

Mr. GROSCH. What do you mean by that?

Mr. RICE. Payments.

Mr. GROSCH. What is the payments you refer to?

Mr. RICE. Didn't the building and loan hold the mortgage?

Mr. GROSCH. That is right.

Mr. RICE. How frequently did you make your payments on your house?

Mr. GROSCH. I don't remember.

Mr. RICE. Weren't the payments \$100 a month?

Mr. GROSCH. I don't remember, but you paid in percentage of what the mortgage was.

Mr. RICE. Was it the Suburban Building & Loan that held that?

Mr. GROSCH. I think so.

Mr. RICE. Now, then, on November 16, 1925, the mortgage was in the amount of \$7,500 at the Suburban Building & Loan Association. On February 3, 1926, you paid \$1,000. On February 24, 1926, you paid \$1,000. Do you know where that money came from?

Mr. GROSCH. Yes. I had earned it if I paid it.

Mr. RICE. Did you earn it as a member of the police department?

Mr. GROSCH. Not necessarily.

Mr. RICE. All right, sir. What other income did you have?

Mr. GROSCH. I told you I worked. I went to work when I was 11 years of age. I worked on the Great Lakes as a sailor, not as a United States service sailor, but I worked on the ore boats up there.

Mr. RICE. All right, sir. Now, then, is it your position this was money you had saved when you worked on the Lakes?

Mr. GROSCH. I don't remember. How am I going to remember 30 years back, 34 years back?

Mr. RICE. Well, when you became a patrolman did you have a savings then?

Mr. GROSCH. I had money, yes.

Mr. RICE. How much money did you have?

Mr. GROSCH. I don't remember.

Mr. RICE. Approximately how much?

Mr. GROSCH. I don't know approximately. I don't remember.

Mr. RICE. More than \$10,000?

Mr. GROSCH. I don't remember.

Mr. RICE. Now, sir, do you want to stand on the statement you don't know where the two \$1,000 payments of February 1926 came from?

Mr. GROSCH. Repeat that question, please.

Mr. RICE. Do you know where your two \$1,000 payments on February 1926 came from?

Mr. GROSCH. No; not at this time.

Mr. RICE. Not at this time?

Mr. GROSCH. No; not at this time, but if you people would have asked me to bring in my returns from 1913 I would have gladly gone—

Mr. RICE. I want to ask you now—

Mr. GROSCH. Let me finish, please. Don't gag me.

Mr. DOWLING. We ask that he be allowed to answer the question and not to gag him.

The CHAIRMAN. All right, Mr. Dowling, nobody is going to try to gag you.

Mr. DOWLING. I think counsel is.

The CHAIRMAN. I don't think he is.

All right, now. You make any statement you want to.

Mr. GROSCH. Yes, sir. If you would have asked me to get my returns to freshen my memory as to the income tax I paid from the first day I began paying them, I would have gladly gone to the income-tax people and I would have asked for a copy of my income from the day that I first started paying income. But you did not ask that. You asked me to bring in my records beginning with the year 1944.

Mr. DOWLING. Let's see the subpoena.

Mr. GROSCH. However, if it will please you gentlemen I will go in the next couple of days to the income-tax people and request a copy of my income and I will give it to you here, or I will mail it to you at whatever address you may give me.

Mr. RICE. Now, sir, do you know George Reyer?

Mr. GROSCH. Yes, sir.

Mr. RICE. Did you have a conversation with George Reyer at the time you made the two \$1,000 payments and he told you that it did not look right for a policeman to be making those payments, and to cut it down to a smaller payment?

Mr. GROSCH. No; that is not true.

Mr. RICE. Now, sir, have you ever had a safe or safety deposit box in your home?

Mr. GROSCH. I did not.

Mr. RICE. You never had a safety deposit box in your home?

Mr. GROSCH. I did not.

Mr. RICE. Did you ever have a safe?

Mr. GROSCH. I did not.



Mr. RICE. Did you ever buy a safe from Rolland's?

Mr. GROSCH. I did not.

Mr. DOWLING. Let me see that subpoena a minute.

Mr. GROSCH. You have it.

Mr. RICE. Have you ever had a bank account in the name of John Joseph?

Mr. GROSCH. I remember having a bank box in the name of John Joseph.

Mr. RICE. Now, you had a bank box in the name of John Joseph?

Mr. GROSCH. That is right.

Mr. RICE. Where was that?

Mr. GROSCH. At one of the banks. I don't remember which bank it was.

Mr. RICE. In New Orleans?

Mr. GROSCH. In New Orleans.

Mr. RICE. Which bank was that?

Mr. GROSCH. I don't know whether it was the Canal, the American, or the Whitney. I don't remember.

Mr. RICE. Who is John Joseph?

Mr. GROSCH. That is me.

Mr. RICE. Why did you use that name?

Mr. GROSCH. Because it is my name, John Joseph Grosch.

Mr. RICE. Why didn't you use John Joseph Grosch?

Mr. GROSCH. For my own reasons.

Mr. RICE. For what reasons?

Mr. GROSCH. I could have had domestic trouble, for one reason.

Mr. RICE. I see. And would that help or hinder your domestic trouble?

Mr. GROSCH. Huh?

Mr. RICE. How would that help your domestic trouble?

Mr. GROSCH. Well, I mean that is such a foolish question for you to ask, how it would help me. It would help me to protect myself, which did develop into domestic affairs for which I was divorced in 1940.

Mr. RICE. Would it be a fair statement to say, then, you felt you were in a position where you had some things to conceal?

Mr. GROSCH. No, I didn't do it for the purpose of concealment from anyone, but my own domestic affairs.

Mr. RICE. Now, sir, did you have any accounts or boxes in the name of John Joseph in any other cities?

Mr. GROSCH. I did not.

Mr. RICE. Specifically, Mobile, Ala.?

Mr. GROSCH. No, sir; I did not.

Mr. RICE. Do you still have any account or box in the name of John Joseph?

Mr. GROSCH. I do not.

Mr. RICE. Now, then, sir, have you ever had a safety deposit box or safe in any of the homes that you lived in?

Mr. GROSCH. I did not.

Mr. RICE. Specifically, a box in the wall of your house?

Mr. GROSCH. I did not.

Mr. RICE. Quite sure about that?

Mr. GROSCH. I am quite sure.

Mr. RICE. Now, sir, did you ever have any interest in the L. & B. Amusement Co.?

Mr. GROSCII. I did not.

Mr. RICE. Did you ever receive any money from the L. & B. Amusement Co.?

Mr. GROSCII. I did not.

Mr. RICE. Have you ever heard of the L. & B. Amusement Co.?

Mr. GROSCII. Not to my recollection. I don't remember.

Mr. RICE. Do you know Louis Battalamente?

Mr. GROSCII. Yes; I do.

Mr. RICE. Did you ever receive any money from Battalamente?

Mr. GROSCII. I did not.

Mr. RICE. What business is Battalamente in?

Mr. GROSCII. I don't know.

Mr. RICE. When you knew him what business was he in?

Mr. GROSCII. To my own knowledge, I don't know that.

Mr. RICE. What did you know him to be?

Mr. GROSCII. I just knew him to be a man. That is all I knew about him.

Mr. RICE. What business was he in?

Mr. GROSCII. I don't know.

Mr. RICE. Was he a workingman?

Mr. GROSCII. I guess he was.

Mr. RICE. What did he work at?

Mr. GROSCII. I don't know. I said I guess he was.

Mr. RICE. Where would you see Battalamente?

Mr. GROSCII. I would see him on the streets occasionally. I saw him on Poydras Street occasionally.

Mr. RICE. Would it surprise you to know that he was in the juke-box and slot-machine business?

Mr. GROSCII. Yes; now that you recall it to my memory, I do recall that he was in the music-box business, I believe, in Jefferson Parish.

Mr. RICE. Jefferson Parish?

Mr. GROSCII. Yes.

Mr. RICE. Now, sir; do you know Lawrence Copeland?

Mr. GROSCII. Yes; I know Lawrence.

Mr. RICE. What business is Copeland in?

Mr. GROSCII. I think he was in pinball or music box.

Mr. RICE. Did you ever have any business transactions with Copeland?

Mr. GROSCII. I did not.

Mr. RICE. Was he in the slot-machine business?

Mr. GROSCII. I don't remember or recall that he was ever in the slot-machine business.

Mr. RICE. Did you ever receive any money from him?

Mr. GROSCII. I did not.

Mr. RICE. Did you ever have any interest in his business?

Mr. GROSCII. I did not.

Mr. RICE. Did Copeland have any machines in the city?

Mr. GROSCII. I don't know. I didn't worry about gambling too much. I caught thieves.

Mr. RICE. Did Copeland ever come to your house?

Mr. GROSCII. He did not.

Mr. RICE. Are you sure about that?

Mr. GROSCII. I am positive.

Mr. RICE. Do you know Duke Shaffer?

Mr. GROSCH. Yes, sir; I do.

Mr. RICE. What business was he in?

Mr. GROSCH. He was a public-relations man.

Mr. RICE. Did he ever have any punchboards?

Mr. GROSCH. Not to my knowledge.

Mr. RICE. What is Shaffer doing now?

Mr. GROSCH. Poor fellow, he is dead.

Mr. RICE. Did he ever come to your house?

Mr. GROSCH. Yes, sir.

Mr. RICE. Did you ever have any interest in his business?

Mr. GROSCH. I did not.

Mr. RICE. Did he ever pay you any money?

Mr. GROSCH. What is that?

Mr. RICE. Did he ever pay you any money?

Mr. GROSCH. He did not.

Mr. RICE. Now, sir, have you ever heard of the Louisiana Mint Co.?

Mr. GROSCH. I've heard of a mint company. I don't know whether it was Louisiana Mint or not.

Mr. RICE. What was the mint company you heard of?

Mr. GROSCH. I don't remember.

Mr. RICE. What business was it in?

Mr. GROSCH. I don't remember.

Mr. RICE. You never heard of Louisiana Mint Co.?

Mr. GROSCH. I guess I did, but I can't recall just what it was.

Mr. RICE. Wasn't it in the slot-machine business?

Mr. GROSCH. I remember their having mint slot machines here, but I don't recall the name, whether it was the Louisiana Mint or——

Mr. RICE. Did you ever receive any money from the Louisiana Mint Co.?

Mr. GROSCH. I did not.

Mr. RICE. Who is John Douglas?

Mr. GROSCH. John Douglas is a man that lives on Iberville Street that has the White Front Liquor Store.

Mr. RICE. Yes, sir. Now, where is he from?

Mr. GROSCH. He is from Tarpon Springs, Fla.

Mr. RICE. Does he have any criminal record?

Mr. GROSCH. Not to my knowledge.

Mr. RICE. Isn't he from New York?

Mr. GROSCH. No, sir; he is from Tarpon Springs, Fla., because I went there with him and stayed there about 2 weeks. I know his whole family is there.

Mr. RICE. Isn't he an associate of Frank Costello?

Mr. GROSCH. Not to my knowledge.

Mr. RICE. Was he ever in any trouble in Tarpon Springs?

Mr. GROSCH. No, sir.

Mr. RICE. Why did he leave Tarpon Springs?

Mr. GROSCH. He didn't leave Tarpon Springs. I went there on a vacation with him.

Mr. RICE. I say, Why did he leave? He is over here now, isn't he?

Mr. GROSCH. I don't know why he left Tarpon Springs. He left Tarpon Springs, I believe, when he was a boy.

Mr. RICE. He is over here now?

Mr. GROSCH. Yes, sir; he has been here for years.

Mr. RICE. Now, sir, does he go to Hot Springs?

Mr. GROSCH. Yes, sir.

Mr. RICE. Do you travel with him?

Mr. GROSCH. Yes, sir.

Mr. RICE. Where do you stay up there?

Mr. GROSCH. Oh, sometimes in Jack Tar's; sometimes I rent a house up there. I go up there twice a year, sometimes with him and sometimes without him.

Mr. RICE. Now, sir, when you are up at Hot Springs, were you ever up there at the times Frank Costello was there?

Mr. GROSCH. Yes.

Mr. RICE. Do you know Frank Costello?

Mr. GROSCH. Yes.

Mr. RICE. Meet and talk with him up there?

Mr. GROSCH. No, sir.

Mr. RICE. Have you talked with him?

Mr. GROSCH. Yes; I have talked with him.

Mr. RICE. Do you know William Moretti?

Mr. GROSCH. No; I do not.

Mr. RICE. How about Artie Samish?

Mr. GROSCH. I don't know him. I know of him. I was in Frisco with him at the United Nations, when they organized.

Mr. RICE. Did you ever meet him at Hot Springs?

Mr. GROSCH. I did not.

Mr. RICE. How about Charlie Fischetti?

Mr. GROSCH. I did not know him.

Mr. RICE. You never met him in Hot Springs?

Mr. GROSCH. I did not.

Mr. RICE. How about "Longie" Zwillman?

Mr. GROSCH. I don't know him.

Mr. RICE. How about Nig Rosen?

Mr. GROSCH. I don't know him.

Mr. RICE. How about Joe Massei?

Mr. GROSCH. I don't know him.

Mr. RICE. How about Joe Massey?

Mr. GROSCH. I don't know him.

Mr. RICE. Do you have any interest in a club operated by Bill Latour?

Mr. GROSCH. Who is Bill Latour?

Mr. RICE. So you know Bill Latour?

Mr. GROSCH. I do not.

Mr. RICE. Do you know Percy Abbott?

Mr. GROSCH. Yes; I know Percy Abbott.

Mr. RICE. Do you have any interest in any enterprise of Percy Abbott?

Mr. GROSCH. I do not.

Mr. RICE. What does Percy Abbott do?

Mr. GROSCH. I don't know.

Mr. RICE. Where do you see him?

Mr. GROSCH. I see him back at the jail. He comes in and signs bonds.

Mr. RICE. What business is he in?

Mr. GROSCH. I don't know.

Mr. RICE. Did you ever receive any money from Percy Abbott?

Mr. GROSCH. I did not.

Mr. RICE. Do you know John Truitt?

Mr. GROSCH. Yes; I do.

Mr. RICE. Did you ever receive an automobile from John Truitt?

Mr. GROSCH. I did not.

Mr. RICE. Did you ever receive anything from Truitt?

Mr. GROSCH. I did not.

Mr. RICE. What business is he in?

Mr. GROSCH. He is in the automobile business.

Mr. RICE. Do you know a man by the name of Kelly, that used to run the Grand Club?

Mr. GROSCH. No; I do not. Where is the Grand Club?

Mr. RICE. 137 South Rampart Street.

Mr. GROSCH. Oh, no; no.

Mr. DOWLING. What is Kelly's full name?

Mr. RICE. Kelly's Bar, at 137 Rampart.

Mr. GROSCH. I don't know that I know him.

Mr. RICE. You have no interest in Kelly or his business?

Mr. GROSCH. Definitely not.

Mr. RICE. Are you quite sure you never bought a safe from Rolland, on Camp Street?

Mr. GROSCH. I am quite sure.

Mr. RICE. Do you know Julius Pace?

Mr. GROSCH. Yes; I knew Julius Pace.

Mr. RICE. What is his business?

Mr. GROSCH. Julius Pace is dead several years.

Mr. RICE. What was his business before he died?

Mr. GROSCH. I don't know. I would have to be thinking or guessing, and I don't want to answer a question that way.

Mr. RICE. Julius Pace ever in your home?

Mr. GROSCH. No, sir; he was not.

Mr. RICE. Are you quite sure about that?

Mr. GROSCH. From my recollection, no. I don't remember that he was.

Mr. RICE. Wasn't he in the slot-machine business?

Mr. GROSCH. Not to my knowledge.

Mr. RICE. Did you ever receive any money from Pace?

Mr. GROSCH. I did not.

Mr. RICE. Do you know Cigali?

Mr. GROSCH. Yes, sir.

Mr. RICE. Do you know where he is now?

Mr. GROSCH. Yes, sir.

Mr. RICE. Where is he?

Mr. GROSCH. He is in Chicago.

Mr. RICE. What doing?

Mr. GROSCH. He went up there to have an eye removed, I believe.

Mr. RICE. How recent have you seen him?

Mr. GROSCH. I saw him at the ball one night last week, at one of the carnival balls.

Mr. RICE. What business is he in?

Mr. GROSCH. It would only be hearsay if I answered that question.

Mr. RICE. Let's have the hearsay.

Mr. GROSCH. I am not going to hearsay any answers.

Mr. DOWLING. If you don't know, you don't know.

Mr. RICE. Well, by reputation; you are a police officer.

Mr. GROSCH. I don't give reputations to anybody.

The CHAIRMAN. Well, tell what you know.

Mr. RICE. Do you know what business he is in?

Mr. GROSCH. No; I don't know of my own knowledge.

Mr. RICE. Do you know if he is in any legitimate business?

Mr. GROSCH. He is in real estate. I know he has the Cigali Building. He owns the Cigali Building.

Mr. RICE. Is that his real estate business?

Mr. GROSCH. Yes, sir.

Mr. RICE. Is it possible he is a lottery operator?

Mr. GROSCH. I don't know any possibilities. I don't answer questions that way.

The CHAIRMAN. Let's get on.

Mr. RICE. Did you ever receive any money from Cigali?

Mr. GROSCH. I did not.

Mr. RICE. How about Collogne?

Mr. GROSCH. I do not.

Mr. RICE. Do you know Collogne?

Mr. GROSCH. Collogne is dead.

Mr. RICE. What business was he in before he died?

Mr. GROSCH. I don't know.

Mr. RICE. How about Henry Muller?

Mr. GROSCH. Yes, I know Henry Muller.

Mr. RICE. What business is he in?

Mr. GROSCH. He is in the hardware business.

Mr. RICE. What other business is he in?

Mr. GROSCH. None, to my knowledge.

Mr. RICE. What other business has he been in?

Mr. GROSCH. To my knowledge, I don't know.

Mr. RICE. Do you have any interest in any business with Henry Muller?

Mr. GROSCH. I do not.

Mr. RICE. Do you know where Henry Muller is now?

Mr. GROSCH. I do not.

Mr. RICE. Well, now, when you were chief of detectives what business was Henry Muller here in?

Mr. GROSCH. Well, it would only be hearsay again, sir. I am not going to answer that either.

Mr. RICE. Did he operate a house of prostitution?

Mr. GROSCH. To my knowledge, no. He could have but to my knowledge, no. Why I say that, I wasn't there to see it.

The CHAIRMAN. All right, anything else?

Mr. RICE. Yes, sir; I have a couple of telephone calls I'd like to ask him about: On June 28, 1950, Senator Raymond called you from Baton Rouge collect. What was that in connection with?

Mr. GROSCH. On what date was that?

Mr. RICE. June 28, 1950.

Mr. GROSCH. I don't remember, but it could have been in relation to the special session. I am not sure about that. But if he called me, it was about legislature.

Mr. RICE. What about?

Mr. GROSCH. Well, I had some bills up there I was passing.

Mr. RICE. You were passing some bills?

Mr. GROSCH. That's right.

Mr. DOWLING. Getting them passed.

Mr. GROSCH. Getting them passed; I didn't pass them. The legislature passed them, but I had somebody introduce them for me.

Mr. RICE. Why would he call you collect in that connection, Mr. Grosch?

Mr. GROSCH. Because he was doing something for me, I guess.

Mr. RICE. I see. What were those bills?

Mr. GROSCH. The bills?

Mr. RICE. Yes.

Mr. GROSCH. One was to give me a doctor for my prison. If this is the right date now, I don't know about dates.

Mr. DOWLING. What is the date again, Counsel?

Mr. RICE. June 28, 1950.

Mr. DOWLING. That was while the legislature was in session.

Mr. GROSCH. If he called from Baton Rouge that was evidently while the legislature was in session. I passed a bill giving me a doctor for my prison.

The CHAIRMAN. Let's go on.

Mr. RICE. Now, then, on March 21, 1950, you called Mrs. Earl Long in Baton Rouge. Do you recall that?

Mr. GROSCH. I have called the Longs, but I don't remember the particular dates.

Mr. RICE. Now, what reason do you have for calling Mrs. Long?

Mr. GROSCH. I am a sheriff, a parochial officer, a State officer.

Mr. RICE. Yes, sir.

Mr. GROSCH. I have a lot of reasons to talk to the Governor of the State, the senators, representatives of the State.

Mr. RICE. For instance?

Mr. GROSCH. Well, I could have called him about supporting his nephew for the United States Senate.

Mr. DOWLING. Which you did.

Mr. GROSCH. Which I did, and we won.

The CHAIRMAN. Mr. Counsel, let the witness answer.

Mr. GROSCH. That is probably why I called him.

Mr. RICE. Why did you call Mrs. Long?

Mr. GROSCH. I put the call in evidently for the Governor, Mrs. Long answered the phone.

Mr. RICE. No; this is person to person.

Mr. GROSCH. Then Governor Long was sick, I guess. That's the reason I called her.

The CHAIRMAN. All right, let's go on.

Have you ever heard of the Cab Bonding Co.?

Mr. GROSCH. The what?

Mr. RICE. Cab Bonding Co.

Mr. GROSCH. No.

Mr. RICE. Do you know a man by the name of Dick Dowling?

Mr. GROSCH. Yes, sir; sitting alongside of me.

Mr. RICE. Does he have an interest in the Cab Bonding Co.?

Mr. GROSCH. He would have to answer that for himself.

Mr. RICE. Do you, Mr. Dowling?

Mr. DOWLING. Yes. Not an interest. I am attorney for them.

Mr. RICE. Now, do you have any interest?

Mr. GROSCH. I do not.

Mr. DOWLING. Not the Cab Bonding Co. Get the name right. Sheppard Cab Co. I am attorney for them.

Mr. RICE. Sheppard Cab Co. Is that a bonding company?

Mr. DOWLING. It's a bonding company; I'm their attorney.

Mr. RICE. Is there a man by the name of Jackson?

Mr. DOWLING. He is the adjuster.

The CHAIRMAN. The cab company is a bonding company?

Mr. DOWLING. It's not a cab company. The name is a misnomer; it is a bonding company under an ordinance of the city of New Orleans.

Mr. RICE. Have you ever received any moneys from this company, Mr. Grosch?

Mr. GROSCH. I did not.

The CHAIRMAN. I just wanted to ask you a few questions: When were you elected sheriff?

Mr. GROSCH. I was elected in January 1946 and then again in 1950.

The CHAIRMAN. This domestic trouble you had when you had this box in the name of John Joseph: When was that?

Mr. GROSCH. That was '38 or '39, I guess. Or maybe '40.

I have been investigated for that and I have answered that 10 times already.

The CHAIRMAN. About the domestic matter? Is that what you are talking about?

Mr. GROSCH. That's right; about the box which led from domestic troubles.

The CHAIRMAN. Well, it was alleged, wasn't it, by your wife, that you and she counted out \$200,000 or some large amount, in a safety deposit box in your home which she had charged was brought to you by certain people for certain actions.

Mr. GROSCH. No. That is not true.

The CHAIRMAN. Anyway, that was alleged and charged.

Mr. GROSCH. Where at? I don't know anything about it.

The CHAIRMAN. Some allegation about it. You say that was not true?

Mr. GROSCH. No, not to my knowledge.

The CHAIRMAN. Let's ask again about this safe. You say you did not get one at Rolland or any other place and put in your house. Did you have a safe in your house?

Mr. GROSCH. No, I did not; never had a safe in my house.

The CHAIRMAN. Back in 1940, before you and your wife separated?

Mr. GROSCH. My wife could have purchased a box, but I don't recall that I did.

The CHAIRMAN. Did you use the box? Did you use the box?

Mr. GROSCH. Did I use the box?

The CHAIRMAN. Yes.

Mr. GROSCH. No, sir; I did not.

Mr. RICE. Well, do you know if she had one or not?

Mr. GROSCH. No, to my knowledge, no.

The CHAIRMAN. Anyway, you never kept any money in any box she may have had?

Mr. GROSCH. No, sir; I did not.

Mr. DOWLING. What is the date of the alleged purchase, Senator?

The CHAIRMAN. Well, it is about 1940, or a little before then. No that was purchased in 1934 and kept on up to the time of the divorce,



about 1940; purchased from Rolland on Camp Street. You don't know anything about that?

Mr. GROSCH. No, sir.

Mr. RICE. Is there such a place as Holland's on Camp Street?

Mr. GROSCH. Yes, sir.

Mr. RICE. Does it sell safes and boxes?

Mr. GROSCH. Yes, sir.

Mr. RICE. Have you ever done any business with them at all?

Mr. GROSCH. No. They may have repaired some safes for the sheriff's office.

The CHAIRMAN. Well, apparently that information must be wrong. Anything else?

Mr. RICE. I think that we may want to recall him later.

The CHAIRMAN. All right.

Well, there are one or two of these things we want to check up on Mr. Grosch, but apparently our information about the safe must be incorrect.

Mr. GROSCH. That's right. I don't recall buying a safe.

The CHAIRMAN. If we want you back we can let you or Mr. Dowling know.

Mr. DOWLING. I will give you my phone number, Senator: Magnolia 1063.

The CHAIRMAN. All right that is all.

Mr. GROSCH. Senator, I would like to say something before I leave, to keep the record straight.

The CHAIRMAN. Go ahead.

Mr. GROSCH. I heard you ask Mayor Morrison today if I had police powers. That I do have. The Supreme Court of this State said that the sheriff of the parish of Orleans was indispensable: that the sheriff of the parish of Orleans was the arm of the law. Before Mr. Morrison, the mayor, went to Washington and blackened everybody else's city, I think he should have kept his own backyard clean. In 1946 Mayor Morrison went to the legislature to try and take my police powers away from me, and in doing so he took over the police department. My platform in 1946 to elect me in the parish of Orleans as sheriff, I had one platform: "Elect me your sheriff and I will keep your city free of crime." Mayor Morrison was on the same platform with me, and went along with that. I received the largest vote of any candidate on either ticket because of that promise. I asked Mayor Morrison and the commission council to let me live up to my promise and let me create my own detective bureau. It would not cost too much money; that I would keep the city free from crime to the extent that one could hang his watch on a telegraph pole and go back 2 weeks later and find it.

While I was chief of detectives this city received nothing but the best of publicity. People were not afraid to come to the city of New Orleans. People were safe when they did arrive in New Orleans, and the mayor went to the legislature to stop me from passing some laws to get myself enough men to help keep the city free of crime. For 16 years that I was chief of detectives we had a reputation of having the cleanest city in this United States. Mr. Morrison went into the same legislature and took over the police department, and we have more crime in this city today than I believe any city in America its size. When I was chief of detectives I had 33 detectives, and I kept

this city free from crime, I have protected the people's properties, their limbs, and their lives. Today, they have a minimum of 128 detectives and the thieves are carrying the city away. I offered to help Mayor Morrison. I asked him to give me, or let me pick 30 men, create my own detective bureau; that he could handle the gambling, and I would handle the thieves, the murderers, and make it safe here in this city for the people of this city; make it safe for the little ones on the streets and in their homes. Mayor Morrison did not want my help. He said he did not need me. Then he goes to Washington and he hollers for help and he could have gotten that same help right here in the city of New Orleans. Then I am summoned to come in here with a lot of embarrassing questions as to who I made money from, who I took money from. I wonder if that is because I am a State's Righter? I ran on a ticket as a State's Righter.

The CHAIRMAN. Well, I can tell you that right now, sir. I didn't know you were a politician, whether you were a States' Righter, Republican, or what politician you were, so you weren't called in here because you were a States' Righter.

Mr. GROSCH. Senator, may I ask this? What prompted me to be called in here where there is nothing against me whatsoever other than to ask me a lot of questions: Did I get money here? Did I get money? Did I get money the other place?

The CHAIRMAN. Well, of course, sir, I don't, personally, make investigations to see just what we have, or what the evidence is, but we have a memorandum which laid the basis for the questions which were asked. The fact is, we have two from two sources that appear to be reliable, which indicated that these were questions that should be asked of you.

Mr. DOWLING. Well, in fairness to me, Senator, don't you think you should have those witnesses here to testify?

The CHAIRMAN. Maybe we will have some of them.

Mr. GROSCH. I hope you will.

The CHAIRMAN. I say also in fairness to you, that if any of the matters you have been asked about you have denied, if any of them are not substantiated, I will be the first to say so to you.

Mr. GROSCH. Thank you, Senator.

The CHAIRMAN. Anything else?

Mr. GROSCH. No.

The CHAIRMAN. I did want to ask: You were talking about your 15 years as chief of detectives; what were the 15 years, from when to when?

Mr. GROSCH. I was appointed chief of detectives in 1930 and remained chief of detectives until I ran for sheriff in 1946.

The CHAIRMAN. Well, now, wasn't that the time when the slot machine New York crowd moved in with its slot machines?

Mr. GROSCH. During that time, Senator, I am going to answer that in this way: That the town was wide open; that handbooks were open and I guess lotteries were open and I guess slot machines were here.

The CHAIRMAN. How do you explain that?

Mr. GROSCH. Well, I exercised—the duties of catching thieves and criminals. I used all of my energy to protect the limbs, the lives, the property of our good citizens, and I was not going to attempt to correct anyone's morals.

The CHAIRMAN. Well, but you knew, of course, these things were in violation of the law?

Mr. GROSCH. Well, I didn't run into them. I knew that the town was open. The town has been open for a hundred years.

The CHAIRMAN. I know.

Mr. GROSCH. But let me answer, please, Senator. And during all that time we did have an open town we did not have any crime.

The CHAIRMAN. I think, in fairness, sir, that I have seen the crime report on New Orleans, and subject to being corrected on it, I believe the report shows it is a little better now than in years past.

Mr. GROSCH. Senator, that is not true. You stay around the city of New Orleans a week and you will really find out the score.

The CHAIRMAN. I am talking about the national crime report.

Mr. GROSCH. The national crime report will tell—I am going to ask you to read this book, Senator. It is interesting. It will give you my record in there, as a policeman.

Mr. DOWLING. We'd like, at this time, to file the subpoena in evidence particularly for the reason that the subpoena is directed to certain years, beginning with 1944, and coming up to date, and although the years asked about were not in that subpoena, we did not object, but gave all the information we possibly could.

The CHAIRMAN. Of course, that is the usual years we ask for. Let me ask just these questions: You did nothing to try to stop gambling or horsebooks or things of that sort?

Mr. GROSCH. No, sir, I did not. I was too busy catching thieves and murderers.

Mr. DOWLING. Bank stick-up men.

Mr. GROSCH. Bank stick-up men.

Mr. RICE. Who is testifying now.

Mr. DOWLING. I have a right to consult with my client, I believe. If that right is denied, I don't know where counsel practices law—

The CHAIRMAN. Well, just a second.

Mr. GROSCH. May I consult my attorney?

Mr. CHAIRMAN. Wait just a second, now, Mr. Dowling. We are glad to have you here, but don't prompt your client.

Mr. DOWLING. I am not prompting, but I have a right to consult with him. He is not being asked any questions now. If he were I would not be consulting with him.

The CHAIRMAN. But the question is that while you were chief of detectives, a great many people from other sections did move into New Orleans, started operations here on handbooks, a news service, bookie operations.

Mr. GROSCH. No, Senator, I don't recall.

The CHAIRMAN. A Mint slot-machine business, and from the gambling viewpoint the town was literally wide open.

Mr. GROSCH. That's right.

The CHAIRMAN. And you did nothing to correct it?

Mr. GROSCH. No; I spent too much time catching thieves and bank stick-up men.

The CHAIRMAN. Well, that is not a very good answer. I mean wasn't your obligation to enforce the law, whatever the law might be?

Mr. GROSCH. Senator, let me answer that in this way. It may not be a good answer but the people thought it was all right when they elected me to office for two terms.

The CHAIRMAN. Well, that is a very good answer, too, but I know of some other places, too, where a great deal of money may be used.

Mr. GROSCH. In my case there was no money used.

The CHAIRMAN. I think I have heard of some counties where gambling is wide open and sheriffs have been elected in those places. I don't think that that is anything to be proud of in the record or in the way of law enforcement that you let these people operate.

Mr. GROSCH. I am proud I was able and God gave me the will to catch thieves and protect the lives, the limbs, and the property of our good citizens.

The CHAIRMAN. Let me ask it this way: If you had your way, would you open up the town now?

Mr. GROSCH. Well, I would answer that in this way: That Mayor Morrison asked for a referendum after he was elected and the vote was fifty-thousand-some-hundred for and only 7,000 against, but Mayor Morrison didn't have courage enough to do what he said he was going to do.

The CHAIRMAN. Of course, a lot of these gamblers, don't you think they are murderers and thieves, too?

Mr. GROSCH. No; they are not.

The CHAIRMAN. Fellows like Marcello, and I have seen some come by here today that are a pretty rough-looking bunch.

Mr. GROSCH. I have never known of Carlos Marcello killing anyone.

The CHAIRMAN. Did you ever arrest Carlos Marcello?

Mr. GROSCH. Yes; I did.

The CHAIRMAN. Did you ever get him convicted of anything?

Mr. GROSCH. I don't recall; it was so long ago.

The CHAIRMAN. Is he a friend of yours?

Mr. GROSCH. No; he is not.

The CHAIRMAN. He's operated practically every sort of vice and crime from narcotics on up, pretty openly right here.

Mr. GROSCH. I said he was not my friend. I was chief of detectives and I knew everybody. I made it my business to know everybody.

The CHAIRMAN. The point is these fellows who operate the big gambling places, fellows like Carlos Marcello, are also the narcotics, thieves, and extortionists.

Mr. GROSCH. Senator, I am talking about the city of New Orleans, parish of Orleans.

The CHAIRMAN. Does Carlos Marcello operate in the parish of Orleans?

Mr. GROSCH. Not to my knowledge.

The CHAIRMAN. I wish you could see the reports where he is alleged to be operating.

Mr. GROSCH. He is only alleged to be. I don't know of him operating in the city of New Orleans, and I have said before, Senator, that during my term of office, 16 years, the town was wide open and we did not have any crime. We went along 13 years without an unsolved felony.

The CHAIRMAN. What did you do about narcotics during that time?

Mr. GROSCH. Well, look in the book and you will see the arrests I made. I have put him and many a narcotics—I guess I made as many arrests and recovered as many ounces of morphine and heroin as any man in the police department or the narcotic agents.

The CHAIRMAN. But you let some other fellows get a pretty bad hold, I'm afraid.

Mr. GROSCH. No, I am afraid not. We had less narcotics in the city of New Orleans—

The CHAIRMAN. I am not going to argue with you.

Mr. GROSCH. Well, the record speaks for itself, Senator.

The CHAIRMAN. It does; it speaks for itself.

(Witness excused.)

The CHAIRMAN. Does anybody else want to testify tonight before we leave?

(No response.)

The CHAIRMAN. We will stand in recess then until 9:30 in the morning.

(Whereupon, at 11:30 the Senate subcommittee hearing was adjourned to January 26, 1951, at 9:30 a. m.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, JANUARY 26, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*New Orleans, La.*

The committee reconvened at 9:30 a. m., Friday, January 26, 1951, Senator Estes Kefauver (chairman) presiding.

The CHAIRMAN. Before we proceed with witnesses who have been subpoenaed, I would like to ask at this time if there are any witnesses or any people whose names have been brought out at the hearing who want to be heard or to make any explanation or to refute anything that has been said?

(No response.)

Of course, our present plans are, if it is possible to do so, to terminate this hearing today. I would dislike very much to leave New Orleans and have on tomorrow somebody to say that they were improperly accused and didn't have an opportunity to be heard.

Is there anyone whose name has been brought out in the hearing who wants to be heard at this time?

(No response.)

Mr. RICE. You might ask if the missing witnesses are here.

The CHAIRMAN. Also I would like to ask if the witnesses we have not been able to find have been served subpoenas or if any of them have come in?

Read their names again, Mr. Rice.

Mr. RICE. Their names are Henry Mills, Arthur Mills, Frank Mills, Osmond Litolff, and Henry Muller.

The CHAIRMAN. Has anybody heard anything of these people?

(No response.)

Did we agree to hear somebody at 9:30 this morning first?

Mr. TALBOT. Yes; you agreed to hear Mr. Clancy.

The CHAIRMAN. Wait just a second, sir.

I am advised, sir, that there are one or two other witnesses who will testify about some matters in connection with the parish that the sheriff comes from. In order to be fair with him and give him an opportunity to have any and all testimony relative to that parish in before he testifies, it will be better to defer his testimony until a little later.

Mr. TALBOT. The chairman has complete control of the order.

The CHAIRMAN. If he testifies and somebody else testifies about matters there, why then he would have to come back again if he wanted to.

Mr. TALBOT. We would prefer to finish, although I don't suppose we will have any rebuttal.

The CHAIRMAN. We will keep in touch with you. Maybe in a few minutes we can give you some idea about when we will be through.

**TESTIMONY OF ANTHONY MARCELLO, GRETNA, LA., ACCOMPANIED BY G. WRAY GILL AND WILLIAM C. ORCHARD, ATTORNEYS, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Anthony Marcello, do you solemnly swear the testimony you will give this committee with be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MARCELLO. I do.

The CHAIRMAN. Mr. Anthony Marcello. What is your address, Mr. Marcello?

Mr. GILL. If Your Honor please, prior to proceeding with the questioning of this witness—

The CHAIRMAN. We will let the record show that Mr. G. W. Gill and William C. Orchard are appearing as counsel for Anthony Marcello.

Mr. GILL. Yes, sir.

If Your Honor please, prior to proceeding with the questioning of the witness, we wish to offer the objection we have heretofore made with reference to his brother, Carlos Marcello; that is, unless ordered to do so by the chairman, we refuse to proceed with the hearing because of the absence of a quorum, and should Your Honor order us to proceed, it will be over our objection.

The CHAIRMAN. Yes. All right. The same objection that you noted to the proceedings in the Carlos Marcello matter will be noted here.

Mr. GILL. All of the objections, sir?

The CHAIRMAN. Yes; that is right.

Mr. GILL. I would like to add this objection, too, please, sir, that as much as the Constitution provides that one shall have the privilege of free speech, we respectfully submit and suggest to you, Senator, that it works in the alternative, that if he has the privilege of free speech, he should not be forced to answer a question that does not meet with his desire to answer, because in the alternative if he refuses to answer, then, of course, he would face the contempt proceedings. For that reason, we also refuse to proceed with the hearing, and should Your Honor order it be proceeded with, it will be over our objection.

The CHAIRMAN. All right. We will note your objection.

Mr. GILL. Thank you, sir.

The CHAIRMAN. Of course, I think in that connection that claiming of free speech also gives the right not to testify anything before a hearing, and what not.

Mr. GILL. Yes, sir.

The CHAIRMAN. Anyway, your objection is noted.

Mr. GILL. Yes, sir.

The CHAIRMAN. All right, let's proceed.

Give us your address, Mr. Marcello.

Mr. MARCELLO. 620 Romain Street, Gretna, La.

The CHAIRMAN. Before we proceed with Mr. Marcello, let the chairman ask one or two questions.



You are a brother of Carlos Marcello?

Mr. MARELLO. That is right.

The CHAIRMAN. Answer up so we can hear you.

Mr. MARCELLO. That's right.

The CHAIRMAN. Now how many of you boys are there?

Mr. MARCELLO. Seven.

The CHAIRMAN. Anthony, Carlos—name the others.

Mr. MARCELLO. Anthony, Carlos, Joseph, Pete, Sam, and Pasquale.

The CHAIRMAN. All right, you proceed, Mr. Rice.

Mr. RICE. Where were you born, Mr. Marcello?

Mr. MARCELLO. With due respect to the committee, I am going to refuse to answer any and all questions other than my name and place of residence, on the grounds that they may tend to incriminate me. I also refuse to produce any documents, records, or papers on the grounds that they may tend to incriminate me.

Mr. RICE. Now, sir, are you under any indictment at the particular time?

Mr. MARCELLO. I refuse to answer that question on the grounds that it may tend to incriminate me.

The CHAIRMAN. Well, you are directed to answer that question.

Mr. GILL. May I offer an objection at this time, Your Honor? On yesterday a statement was made by the Senator, and I make this statement with all due deference and respect to the committee and without tending to in any wise criticize the Senator's opinion, but nevertheless regardless of its predication the Senator's opinion, and doubtless the opinion of this committee, was as stated by the Senator yesterday and recorded in the papers and heard, of course, by me in the court room, that his brother was one of the top criminals of America.

The CHAIRMAN. If there is any doubt about that I want to restate it now, too, certainly.

Mr. GILL. I appreciate that is Your Honor's studied opinion, and inasmuch as that be true, the same blood of that man runs in this man's veins; the same father and the same mother, and I now ask Your Honor to defer further questioning of this witness as it is obvious that his answers will be the same as his brother, because, sir, for him to answer any question, knowing the process of investigation that has been instituted, would be seeking to make him an innocent link in a chain of circumstances that might result in evidence being offered that might tend to be a connecting link in what appears to be an investigation concerning his brother, particularly as regards the immigration situation as investigated by Your Honor on yesterday, and I respectfully ask Your Honor to please not ask this witness any further questions if in asking the witness the questions it is the intention of Your Honor and of the members of your committee to add count after count of contempt against this witness for his refusal to answer further questions.

The CHAIRMAN. Well, now, Mr. Gill, counsel for the committee will, of course, ask the witness any questions he thinks should be calculated to bring out the matters that we know about the witness.

Mr. GILL. Certainly, sir.

The CHAIRMAN. I want to say, though, that it will be our fervent hope that because one member of the family happens to be in a bad situation so far as criminality is concerned that every other member

of the family is or all his brothers. This man seems to be a younger brother, and I hope, to begin with, that he might be willing to follow in a different course and that he might not want to follow the same action that his brother did on yesterday.

But I think we have had enough of that. Let's get on.

Mr. GILL. May I make a further statement to Your Honor? It won't take but a moment.

The CHAIRMAN. All right.

Mr. GILL. I might say to Your Honor if he were called into a court of justice, no court in the world, I believe, would pretend that this man should be a witness directly or indirectly against his brother, and on yesterday Your Honor stated, in answer to one of the questions or as a gratuitous remark, that Joseph and Anthony were known criminals. Now, I might say to Your Honor that Joseph and Anthony have never been convicted at any time in their life.

The CHAIRMAN. Well, let's let the witness testify about that, Mr. Gill.

Mr. GILL. I only say this, sir, to show that your source of information—

Mr. RICE. How do you know that, sir?

The CHAIRMAN. Well, that's all right.

Mr. RICE. How do you know whether he has or not?

Mr. GILL. Well, I know, sir. I have checked the records.

Mr. RICE. You know that on information and belief, don't you?

Mr. GILL. No, sir. I have checked the records.

Mr. ORCHARD. That is all you have.

Mr. GILL. I definitely do know, Mr. Rice.

Mr. RICE. I have the right to ask the witness.

The CHAIRMAN. Mr. Gill, I think we have had enough of that. If he wants to tell about the matter, all right, but we want him to testify.

Go ahead, Mr. Rice.

Mr. RICE. Now, sir, you have asserted your privilege as to the questions as to whether or not you are under indictment. Are you under indictment at this time?

Mr. MARCELLO. I refuse to answer that question.

The CHAIRMAN. Well, the Chair orders you to answer that question.

Mr. MARCELLO. I refuse to answer that question on the grounds that it might tend to incriminate me.

Mr. RICE. In refusing to answer do you fear prosecution from a Federal or State offense?

Mr. GILL. If Your Honor please, I submit it would be asking a man to say what he is guilty of. You are asking that he testify against himself, and I respectfully object to the question.

So that is an entirely proper question.

The CHAIRMAN. Well, Mr. Gill, of course the law is that it cannot be a fantastic objection, unless it is an effort to exercise that constitutional privilege, unless he has some particular crime in mind. The Senate and the court will have to try to judge the questions in the light of what the allegations against him, or the charges against him that he is afraid of, are.

Mr. GILL. I appreciate Your Honor's position. It is rather a difficult one. But I say it is asking a man to say what he is guilty of, to confess.

The CHAIRMAN. We are trying to find out—he is claiming his privilege—we are trying to find out just what crime it is that he thinks might incriminate him.

Mr. GILL. Well, Your Honor will note my objection?

The CHAIRMAN. Yes, we will note your objection.

Mr. GILL. Thank you, sir.

Mr. RICE. Now, sir; is it a Federal or State offense that you have in mind?

Mr. MARCELLO. I refuse to answer that question.

The CHAIRMAN. Can it be noted that on these questions, unless otherwise stated by the chairman, that the chairman has ordered him to answer where he refuses to answer?

Mr. GILL. Yes, sir.

Mr. ORCHARD. Yes, sir.

The CHAIRMAN. You understand that, Mr. Marcello?

Mr. MARCELLO. Yes.

Mr. GILL. And would it also be noted if he just says "I refuse to answer," that it will be for the same reason heretofore given?

The CHAIRMAN. Yes, sir; we will agree to that.

Mr. GILL. Thank you, sir.

Mr. RICE. Did the transaction from which you fear prosecution involve yourself or others?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Did the transaction from which you fear prosecution occur more than 10 years ago?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Less than 10 years ago?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Now, sir, you were called upon to produce certain records. Do you have those?

Mr. MARCELLO. No.

Mr. RICE. On what grounds do you refuse to produce those?

Mr. MARCELLO. On the grounds that they may tend to incriminate me.

Mr. RICE. In a Federal or State offense?

Mr. MARCELLO. I refuse to answer that.

Mr. RICE. What is your business, sir?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. How old are you?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Are you married?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Are you single?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Are you a citizen?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Are you an alien?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Were you born in Africa?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. In 1946 were you associated with Joe Poretto?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you know Joe Poretto?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. Now, for the record, Joe Poretto is the man who started up the Southern News Publishing Co. about 1946.

Mr. RICE. Have you ever heard of the wire service?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Have you ever heard of News Service?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. In 1946 did you receive \$300 from the News Service in New Orleans, La.?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Were you not associated in the News Service known as the Southern News & Publishing Co.?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Were you not associated with Poretto, Ralph Emory, of Cicero, Ill., Frank Capello, Anthony Carollo, and your brother, Joseph Marcello, Jr., in the wire service, 1946?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Now, then, sir; do you know a Mr. J. J. Fogarty?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. Were you not associated in the operation known as the Daily Sports News?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Did you not participate in a partnership known as the Daily Sports News in 1947?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Did you not have 37½ percent?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Did you not have 37½ percent of the business known as the Daily Sports News?

Mr. MARCELLO. I refuse to answer that.

Mr. RICE. Now, sir, did you not receive \$3,172.73 from your partnership in the News Service in 1946?

Mr. ORCHARD. If that is from his income-tax records, we object on the ground it is violative of the President's directive.

The CHAIRMAN. It is a question that the witness is asked.

Mr. ORCHARD. Will you please note our objection?

The CHAIRMAN. Yes; we note your objection.

Mr. RICE. What is your answer?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. Did he receive anything?

Mr. RICE. Did you receive, or were you paid any money by the News Service in 1946?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Now, sir, in 1947, were you paid any money by any news service?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Specifically, the Daily Sports News.

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Did you not receive \$8,782.59?

Mr. ORCHARD. The same objection, Your honor.

The CHAIRMAN. Let it be noted.

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you have an interest in a record shop?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Have you had an interest in a record shop?

The CHAIRMAN. Now, for the record, what record shop are you talking about, Mr. Rice; are you trying to bring out?

Mr. RICE. A record shop personally owned by the witness on Huey P. Long Avenue in Gretna.

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. You mean a record shop, with phonograph records?

Mr. ORCHARD. I submit that counsel is testifying. We should identify the place or ask the man what is the name of the business, and so on.

The CHAIRMAN. All right, Mr. Orchard, that is just what we are trying to find out, what he had in mind asking about. Go ahead.

Mr. RICE. Do you have an interest in the New Orleans Cigarette Service Corp.?

Mr. MARCELLO. I refuse to answer.

Mr. MARCELLO. Did you have an interest in 1948 in the New Orleans Cigarette Service Corp.?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Were you paid any money by the New Orleans Cigarette Service Corp.?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you have an interest in any gambling club?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you have any legitimate business?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Specifically, do you have an interest in the New Southport Club?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Are you not a partner in the operation known as the New Southport Club in Jefferson Parish?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Have you not been paid a substantial sum of money from the New Southport Club in Jefferson Parish?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Have you ever been arrested?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Have you ever been in jail?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Have you ever served time in Atlanta?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. All right, let's get on.

Mr. RICE. Do you know a man by the name of Eddie Mooney?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you know Vic Trapani?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Do you know Tony Trapani?

Mr. MARCELLO. I refuse to answer.

Mr. RICE. Is it not true that you accompanied Eddie Mooney, a representative of the S. & G. Gambling Syndicate in Florida to the New Southport gambling casino along with Vic and Tony Trapani during the months of February and March of 1949?

Mr. MARCELLO. I refuse to answer that.

The CHAIRMAN. Have you ever been engaged in the narcotics business?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. Do you and your brother Carlos have an interest in some sailing ships or boats in which you brought in narcotics or marijuana?

Mr. MARCELLO. I refuse to answer that question.

Mr. RICE. What is your father's name?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. Have you ever been out of the State of Louisiana?

Mr. MARCELLO. I refuse to answer.

The CHAIRMAN. Well, there is no use going on with this witness any further.

Well, with whatever strength we have we will certainly try to recommend that you get the full extent of the law, sir. That will be all.

(Witness excused.)

Mr. RICE. Mr. Cavalier.

The CHAIRMAN. Mr. Cavalier, please.

Mr. NICHOLAS CARBAJAL. May I have the permission of the court for a few minutes?

The CHAIRMAN. What is your name?

Mr. CARBAJAL. Carbajal; C-a-r-b-a-j-a-l. I am not a witness in the case.

The CHAIRMAN. What is it you wish to talk about, Mr. Carbajal?

Mr. CARBAJAL. I want to correct the record. In the testimony of Mayor Morrison yesterday in the investigation, he referred to a Nicholas Carbajal.

The CHAIRMAN. Yes, sir.

The CARBAJAL. I am Nicholas Carbajal.

The CHAIRMAN. Sit down.

Mr. CARBAJAL. I am an attorney, and have practiced in New Orleans for 30 years or longer, and I am a member of the State senate, and I wanted to make it clear to the court that I was not the Nick Carbajal that Mayor Morrison referred to in his testimony yesterday.

The CHAIRMAN. We appreciate your coming in, Senator Carbajal. We appreciate your coming in and making that correction. I didn't know who it was he was talking about, and we certainly don't want to do you any harm.

Mr. RICE. Do you have a nephew, sir?

Mr. CARBAJAL. I have a nephew; yes, sir. He is dead.

The CHAIRMAN. What was his name?

Mr. CARBAJAL. His name was Nicholas Carbajal. He is dead.

The CHAIRMAN. Who was it he was referring to, do you know?

Mr. CARBAJAL. I believe that he was referring to his son. I don't know what relation that would be to me, his son.

The CHAIRMAN. You mean——

Mr. CARBAJAL. My cousin's son. That would be my second, third, or fourth cousin.

The CHAIRMAN. That would be your first cousin once or twice removed.

Mr. CARBAJAL. I think that is who he was referring to. I have seen this boy once, and I would not know him if I would see him now.

The CHAIRMAN. Anyway, the transaction he was talking about was not you, and you had no involvement in it.

Mr. CARBAJAL. That is correct.

The CHAIRMAN. We appreciate your stepping forward.

Mr. CARBAJAL. Thank you.

The CHAIRMAN. I am glad that Senator Carbajal came up because that is the kind of thing we want to prevent. I don't know the senator. I have never seen him before, but when somebody's name becomes confused with somebody else's name, I think it ought to be corrected.

All right. Who is the witness?

Mr. RICE. Mr. Cavalier.

Deputy Marshal BURGLASS. He was here yesterday. He is not here this morning.

Mr. Cavalier?

(No response.)

I will get him on the phone. He was here yesterday.

Mr. RICE. Mr. McCain.

**TESTIMONY OF JAMES I. MCCAIN, ATTORNEY AT LAW,  
NEW ORLEANS, LA.**

The CHAIRMAN. You are Mr. James I. McCain, an attorney at law, New Orleans, La.?

Mr. McCAIN. I am James I. McCain, sir.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. McCAIN. I do.

The CHAIRMAN. What is your address, Mr. McCain?

Mr. McCAIN. 404 Industries Building. That is my business address.

The CHAIRMAN. Yes; that is what we want.

Mr. McCain needs his files. All right, let's get to the point.

Mr. RICE. Mr. McCain, you are an attorney at law here?

Mr. McCAIN. Yes, sir.

Mr. RICE. And some time back you were interested in certain padlock suits, efforts for padlock suits, in Jefferson Parish. Will you tell us a little bit about that, Mr. McCain?

Mr. McCAIN. I represented certain taxpayers in the parish of Jefferson who filed two suits, one against the Club Forest and one against the Beverly Country Club, under Act 192 of 1920, under which act the petitioners and taxpayers were authorized to get an injunction padlocking the operation of these gambling establishments.

The suits were filed in 1947. July and August, and the judges of the lower court, in the district court of Jefferson Parish, threw out our cases or dismissed them on exceptions on the basis that the act under which we were bringing this civil suit was unconstitutional.

We appealed the cases to the State supreme court because the State statute had been held unconstitutional, and the supreme court, on November 1948, held that act 192 was constitutional and by unanimous opinion sent the case back to the district court to be tried, ordering the district court to proceed with the cases; that the act was constitutional.

Although the act provided that we were entitled to trial within 5 days I had great difficulty in getting the judges of the lower court in Jefferson to fix the case for trial. We were armed with a mandate of the State supreme court, and it was only after several months that I was able to get the judges of the district court. Judge McCune was the one to whom the case was assigned by the supreme court, Judge Rivarde being sick.

During the delay between the time that I had the opinion of the supreme court in my favor, and until I could get a trial in the lower court again, I was approached by a gentleman, a friend of mine, who asked me if I would hold the cases up and not proceed against the Club Forest. I told him that I was unable to do that. He said, "All I want you to do is delay the cases." He said, "I will put you on the payroll of the Club Forest if you will delay them."

Mr. RICE. What technique was suggested to effect this delay?

Mr. McCAIN. Well, he said that was up to me. He said that the judges would get sick and that the sheriff would not be available; I could not get my subpoenas served.

Mr. RICE. Was that up to you to arrange for the judges to get sick?

Mr. McCAIN. No. He assured me I would have all assistance from the State officials in Jefferson Parish in delaying my case if I cared to.

Mr. RICE. Did he specifically mention any judges; the sheriff is Clancy, is it not?

Mr. McCAIN. That is correct.

Mr. RICE. Well, now, that delay; was that to be continued indefinitely?

Mr. McCAIN. As long as I could delay the case, he said that as a lawyer I could stall, he was confident, for several months. I assured him—

Mr. TALBOT. Mr. Chairman, I happen to represent Mr. Clancy, and I submit this is the rankest kind of hearsay.

The CHAIRMAN. All right, will you—

Mr. TALBOT. It is not evidence this committee should receive.

The CHAIRMAN. If you will, have a seat, sir. Mr. Clancy will be here and have an opportunity to be heard. I think that unless the witness is willing to tell who it was and what his connection was, that we should not proceed on this matter.

Mr. McCAIN. Well, Senator, this man is a man who I have done business for, and nothing came of it, I assure you, sir. He came to me in confidence, not himself feeling he was doing anything wrong, and I would rather not disclose his name. I mean whatever offers I had were not accepted, I assure you.

Mr. TALBOT. And they were not from the officials?

The CHAIRMAN. Wait just a second.

Well, I am going to rule unless it is possible to state the man's name that we will have to strike this evidence from the record.

Mr. McCAIN. I had other offers of lump-sum amounts which I didn't accept.

The CHAIRMAN. Well, if you will tell who they came from, who made the offers, and what their connection was—

Mr. McCAIN. Senator, I would rather not do it, sir. They are friends of mine. I would not have been made these offers unless I had first assured them that I would not involve them; I assure you.

The CHAIRMAN. You mean you got the matter, you feel, in professional confidence?

Mr. McCAIN. Most certainly; yes, sir. Men I had done business for whom these people used because they knew that I would not expose them; that I would deal with them on an honest basis. But I will assure you that nothing came of it and nothing was accepted.



The CHAIRMAN. Well, on that basis, unless you can tell who it was you were dealing with I don't want to do somebody an injustice unless they have an opportunity of knowing who it was, so I will have to order that that testimony be stricken out of the record.

Mr. McCAIN. Very well.

The CHAIRMAN. And I will ask the press not to report it. I am sure you are acting in the—I appreciate your position. I don't want you to have to involve—bring out some professional confidence, but unless you can tell who the people were I don't think the testimony should be recorded.

Mr. McCAIN. I would rather not, sir. I ask you not to press me. I received it in professional confidence.

The CHAIRMAN. Let's proceed with what happened about the lawsuits.

Mr. McCAIN. Well, now, to what detail do you want me to go? I can give you each step, sir.

The CHAIRMAN. Yes; that is what we would like to know.

Mr. McCAIN. Well, I filed the injunction suits in August and July, I said, of 1947. They were fixed for hearing in July and August of 1947, and the exceptions filed by the defense counsel for the clubs on the basis that the law that we were proceeding under was unconstitutional: Their argument and position were sustained by the district court. We took an appeal in August of 1947 to the Supreme Court, which was filed in September, and on February 17, 1948, the case was argued in the State supreme court on the question of the unconstitutionality of act 192 of 1920, which was the State statute under which we were proceeding, and which gave us the right to bring the injunction proceedings.

The CHAIRMAN. May I ask, Mr. McCain—

Mr. McCAIN. Yes, sir.

The CHAIRMAN. As I know nothing about Louisiana law, and very little about the law of Tennessee since I have been out of the practice so long, what was the particular technicality that was alleged to make the law unconstitutional?

Mr. McCAIN. The statute provided this, sir: That 10 taxpayers could proceed in any district court and file a suit seeking to padlock the clubs involved. The defense counsel contended that the word "any" meant that the petitioners could go into any district court in the State regardless of the location of the clubs. They argued that we could have—although we did go into Jefferson Parish, we never went into any other court. In both suits—in fact in three suits—one suit against Mr. Mills, and he disappeared. We never could serve him.

Mr. RICE. Is that against Mills, of the Club Forest?

Mr. McCAIN. That is correct, sir. We filed one against Mr. Mills as the operator of the Club Forest. We never could serve him.

Mr. RICE. On the grounds it was a gambling establishment.

Mr. McCAIN. Yes, sir; alleging in each case they were public and notorious gambling establishments, highly advertised, and so forth.

The suit against Mr. Mills—

Mr. RICE. Which Mr. Mills was that?

Mr. McCAIN. That is, I think, Henry, sir. Now, he is the one that was the head of the organization at the time; the one who took title to the real estate. I proceeded against him on the basis that the real

estate was in his name. He, to use an expression, "took it on the lam," and we never could serve him. So we dropped that suit and I proceeded against the Club Forest, Inc., a corporation, which was the owner of the club, and, of course, we made a service there because of the fact the corporation had to have registered agents, whom we served.

Does that answer your question?

Mr. RICE. Do you recall who the agents were?

Mr. McCAIN. Mr. Carlos Marcello—no; he was the agent for the Beverly Club, but as soon as we filed suit against him and sought to serve him, the corporation met and appointed another agent; a young lady whose name I don't recall, but there were two agents, and we served both of them. We served Mr. Marcello, but his authority was revoked shortly after we served him, so we served the other party who was his substitute, as a matter of certainty. I don't think we had to, but we did it.

Mr. RICE. Was that name Murphy?

Mr. McCAIN. I believe the lady's name was Murphy. I have it in this file, sir. By resolution of the corporation, this young woman was substituted as the agent for service of process.

Mr. RICE. All right, sir. Now then, you took the cases up in the supreme court on the constitutional question. What happened?

Mr. McCAIN. That was on February 17, 1948. Judge Bond, one of the judges of the supreme court, died the next day. We had to reargue the case on October 6, 1948; and on November 8, 1948, by unanimous opinion, the supreme court held that the law was constitutional, and directed the district court to proceed with the trial.

An application for rehearing was made on November 22, 1948, and on February 14, 1949, a rehearing was refused, so that from February 14, 1949, we were armed with a mandate to go back to the district court, directing the district court to proceed with the case.

We made numerous efforts to get the judge to fix the case. Judge Rivarde was sick; Judge McCune was apparently unavailable: his docket was too congested, and it was not until, I think, some time in April or May that we argued the case before the district judge, Judge McCune.

Both cases were consolidated, and Judge McCune held despite the holding of the supreme court and the fact that he must follow its order, Judge McCune held the act again unconstitutional on the same grounds that he held it unconstitutional before, and which the supreme court said was not good.

His explanation why he did not follow the supreme court's opinion was that he had read it six times and he stated in open court he didn't understand what the supreme court said. He again dismissed both suits on the same grounds.

Then we took a second appeal to the supreme court, and the second appeal was filed in the supreme court on June 27, 1949, and we argued the matter in the supreme court on January 10, 1950.

On June 30, after having the case under advisement for 6 months—approximately 6 months—the supreme court reversed their previous unanimous opinion, holding the statute constitutional, and although we had the same argument, the same lawyers, the same briefs, the same points, the same everything, the supreme court reversed their previous unanimous decision and by a 4-to-3 decision held the law un-

constitutional, and dismissed our suit; said the statute under which we were proceeding was no good. And, consequently, there was nothing left for the plaintiffs, as far as a civil proceeding was concerned, to do; so we were then forced to use the State enforcement officers, which of course we had learned previously through numerous efforts, was a useless attempt.

Mr. RICE. You never did get to issue on the merits, then?

Mr. McCAIN. We never did get to present evidence. Although I went at least a half dozen times with my witnesses, I never got a trial.

Mr. RICE. Now, in preparation for the case, did you have a number of witnesses to testify as to the gambling activities taking place in those clubs?

Mr. McCAIN. Although the statute said you should have 10 taxpayers, I had 20 in one, and 16 in the other, and I had each one of them go to the clubs, examine the fact that there was gambling, and each one of them was a witness who knew of his own knowledge that there was gambling in the two clubs.

I went myself, but I was not going to act as a witness.

The CHAIRMAN. What is the style of the case?

Mr. McCAIN. The case is *Ellzey v. The Beverly Country Club et al.* The first case is in 38 Southern. I can't give you the page, Senator. The second case was decided in 1950, and I think you will find it in about 45 or 46 Southern. I will be glad to furnish you the citation, if you want it.

The CHAIRMAN. All right; I wish you would do so.

What was the final holding of the Supreme Court as to why the statute was unconstitutional?

Mr. McCAIN. They said that where the plaintiffs could go into any parish that the plaintiffs were permitted to go into the parish other than the parish in which the clubs were located, and that therefore requiring the defendants to answer to a case in a parish other than where the club was located would be depriving them of due process of law.

The CHAIRMAN. Well, was the suit brought in the parish where the club was located?

Mr. McCAIN. Yes, sir; both suits, all three suits were. All the people lived in the parish. The clubs were located in the parish.

The CHAIRMAN. Go ahead.

Mr. RICE. Do you have a list of those witnesses who were prepared to testify as to the gambling activities in your files?

Mr. McCAIN. Well, they are all the plaintiffs in the case; yes, sir.

Mr. RICE. Not as to their names, but as to having them available.

Mr. McCAIN. Yes, sir.

The CHAIRMAN. File a copy of the petition as a part of your testimony. Would you do so?

Mr. McCAIN. Yes, sir; I will be glad to.

The CHAIRMAN. Let that be exhibit No. 17.

(The documents were marked "Exhibit No. 17," and appear in the appendix on p. 437.)

The CHAIRMAN. We have heretofore put in the record certain sections of the code, statute 1950, title 14, section 90, that has to do with the prohibition of gambling; and article 19, section 5. You are familiar with the memorandum that we have filed?

Mr. McCAIN. Yes, sir.

The CHAIRMAN. That is a correct statement of the law of the State of Louisiana?

Mr. McCAIN. Yes, sir.

The CHAIRMAN. All right.

Mr. McCAIN. There is also a statute on slot machines. I presume you have that?

The CHAIRMAN. Yes. Anything else, Mr. Rice?

Mr. RICE. I think that is all.

(Witness excused.)

The CHAIRMAN. Has Mr. Cavalier come in yet?

Deputy Marshal BURGLASS. He is reported to return at 2 o'clock today. I spoke to his lawyer, Mr. Weysham.

The CHAIRMAN. Mr. Moran?

Deputy Marshal BURGLASS. He was told to come at 11 o'clock this morning.

The CHAIRMAN. How about Trapani? Is Mr. Trapani here yet?

**TESTIMONY OF SAM TRAPANI, NEW ORLEANS, LA., ACCOMPANIED BY G. W. GILL AND WILLIAM C. ORCHARD, ATTORNEYS, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Trapani, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TRAPANI. I do.

The CHAIRMAN. And Mr. Gill and Mr. Orchard are representing Mr. Trapani. Is that right?

Mr. GILL. This defendant was served, if Your Honor please, by a subpoena that was intended for his brother, Vic Trapani. This is Sam.

Mr. RICE. Wait a minute, sir. What information do you have, to make that statement?

Mr. GILL. The original subpoena. I would like to see the original subpoena. Do you have it there?

Mr. RICE. You are testifying now.

Mr. GILL. I have the duplicate. I would just like to see the original.

The CHAIRMAN. Let's see what it is you have here.

Mr. ORCHARD. Here it is [handing document to the chairman.] That was addressed to Vic, and the gentleman who was serving it, when the books were not tendered because of Vic Trapani being in the hospital, his name was written into that by whatever gentleman served him. I don't know whether Mr. Halley or who it was. Your Honor will notice on the addenda the attachment still bears the name of Victor Trapani.

We spoke to Mr. Halley yesterday, sir, about these books. Those books are available if wanted, and Mr. Orchard and myself understand that they had copies or had what they wanted and probably didn't want them. If you want the books they are available, and you can have them. We'll have them brought in any time you want them.

The CHAIRMAN. All right. Will you bring them in as soon as possible?

Mr. GILL. Yes, sir; but this man is not——

The CHAIRMAN. Who will be the one to tell about the books?

Mr. GILL. Victor, sir; but he is very, very ill in the hospital.

The CHAIRMAN. I know, but what auditor?

Mr. GILL. Mr. Murphy. He knows all about the books. We will ask Mr. Murphy to bring them in himself.

The CHAIRMAN. Well, Mr. Murphy will be here with the books by—

Mr. GILL. A little after 12.

The CHAIRMAN. The first thing this afternoon?

Mr. GILL. Yes, sir. What time do you want him?

The CHAIRMAN. 1:30 this afternoon.

Mr. GILL. All right, we will have him.

The CHAIRMAN. Now what does—Sam Trapani is here.

Mr. GILL. He was just given that for the purpose—I believe Mr. Halley could tell you—to be sure to get the books in.

Mr. KLEIN. Kiley.

Mr. GILL. Kiley; excuse me. When Sam Trapani remonstrated about giving the books because he had no authority that is when his name was written in.

The CHAIRMAN. We had some other questions we wanted to ask Mr. Trapani. Go ahead.

This man is not the custodian of the books?

Mr. GILL. Not the custodian, and just an employee.

Mr. RICE. Is your name Sam Trapani?

Mr. TRAPANI. Yes, sir.

Mr. RICE. You are a brother of Vic Trapani?

Mr. TRAPANI. Yes, sir.

Mr. RICE. Where is Vic Trapani?

Mr. TRAPANI. He is very ill in Hotel Dieu.

Mr. RICE. What is his ailment?

Mr. TRAPANI. Tumor, I understand.

Mr. RICE. When did he go there?

Mr. TRAPANI. Oh, I'd say approximately a week ago.

Mr. RICE. What is your business, Mr. Trapani?

Mr. GILL. If Your Honor please, prior to the witness being questioned any further, I wish to add and urge the same objections as heretofore—

The CHAIRMAN. That will be noted.

Mr. GILL. With reference to Mr. Carlos Marcello and his brother, Anthony.

The CHAIRMAN. That will be noted.

Mr. GILL. And also another objection that the continued examination will be violative of the equal protection clause of the Constitution and due process of law clause.

The CHAIRMAN. Very well.

Mr. GILL. And ask that that objection be noted.

The CHAIRMAN. Very well, sir.

Mr. RICE. What is your business, Mr. Trapani?

Mr. TRAPANI. I refuse to answer on the grounds it might tend to incriminate me.

Mr. RICE. Are you under indictment?

Mr. TRAPANI. No, sir.

Mr. RICE. Is your assertion of privilege based on a claim that you fear prosecution from a Federal or State offense?

Mr. GILL. Same objection as heretofore, Your Honor.

The CHAIRMAN. All right.

Mr. RICE. What is your answer?

Mr. TRAPANI. I refuse to answer, Senator, on the grounds that it might tend to incriminate me, sir.

Mr. RICE. Did the transaction occur more than 10 years ago?

(No response.)

The CHAIRMAN. Mr. Trapani, I hate to have any difficulty with you. I will have to direct you to answer these questions that you are being asked.

Mr. TRAPANI. I refuse to answer on the grounds—

The CHAIRMAN. I should think—if I may tell counsel, I believe what we want to ask this man about is whether he is a partner and has an interest in the club out here.

Mr. GILL. I appreciate your—

The CHAIRMAN. I suppose if you are going to bring the records in—

Mr. GILL. We will submit the records, if Your Honor please, for whatever they may tend and without any objection. I might add, sir, we both know the type of establishment you are proceeding to investigate, and if he were to answer in the affirmative he would be liable to prosecution in the courts in Gretna for working in a gambling house, that has to do with gambling, and charged with conspiracy.

Mr. RICE. Shouldn't he be prosecuted for that?

Mr. GILL. Sir, I don't think that is for us to determine. That is not what you are supposed to be investigating, from what I understand.

The CHAIRMAN. What we would like to ask him about is how he got into the partnership and how much of the partnership he owns.

Mr. GILL. Couldn't we put it this way, Senator? I know you are endeavoring to be fair. You have a job to do and I find no fault with your doing it, sir. I wonder this if after talking with Mr. Murphy, going over the books with Mr. Murphy, if you deem it necessary we will try to bring him back. I am only trying to save this man from a charge, if possible. If he answers anything, they could put him in jail over in Gretna if he is working in a gambling house.

The CHAIRMAN. He has no right to refuse to answer because of privilege—to refuse to answer because of a State charge.

Let me ask you, Counsel, has this young man been in any trouble before?

Mr. GILL. Never in his life, sir, that I understand.

Mr. TRAPANI. Right.

Mr. GILL. Neither was the first witness here this morning, sir.

The CHAIRMAN. Well, of course, we could not get anything at all out of him.

Mr. GILL. He was just nervous. I tried to tell him three times to tell you he had not been in trouble and he had been overseas, in combat duty, and so forth.

Mr. RICE. Do you tell all your witnesses what to say, Counsel?

Mr. GILL. No, sir; but if I think the question is pertinent, sir, I would certainly advise him to answer it. If I would be permitted, I would have done it.

Mr. ORCHARD. Mr. Gill and I will match our ethics with yours, Counsel?

Mr. RICE. All right.

The CHAIRMAN. Go ahead, Mr. Rice.

Mr. RICE. How old are you?

Mr. TRAPANI. Thirty-one.

Mr. RICE. Are you married?

Mr. TRAPANI. Yes.

Mr. RICE. Do you know Henry Mills?

Mr. TRAPANI. I have seen him.

Mr. RICE. You have seen him. When did you see him last?

Mr. TRAPANI. It has been so long I could not recollect.

Mr. RICE. Apen't you associated in business with Henry Mills?

Mr. TRAPANI. No; I am not.

Mr. RICE. You are not associated in business with Henry Mills?

Mr. TRAPANI. No, sir.

Mr. RICE. Are you sure about that?

Mr. TRAPANI. Yes, sir.

Mr. RICE. Do you know Osmond Litolff?

Mr. TRAPANI. I know of him.

Mr. RICE. Are you associated in business with Litolff?

Mr. TRAPANI. No, sir.

Mr. RICE. When did you see him last?

Mr. TRAPANI. I really don't remember.

Mr. RICE. Where did you see him?

Mr. TRAPANI. On the streets.

Mr. RICE. What streets?

Mr. TRAPANI. Somewhere in—it might have been on Carrollton Avenue, near his home.

Mr. RICE. How long ago was that?

Mr. GILL. I submit, may it please Your Honor, this is a matter of local interest and not pertinent to the inquiry.

The CHAIRMAN. Very well.

Mr. RICE. Do you know Carlos Marcello?

Mr. TRAPANI. I do.

Mr. RICE. Are you associated in business with Marcello?

Mr. GILL. I object, if Your Honor please.

Mr. TRAPANI. I refuse to answer on the ground it may tend to incriminate me.

The CHAIRMAN. I will have to ask you to answer the question, unless you care to state how that is going to incriminate you. I don't know what offense you have in mind?

Mr. GILL. I may refer Your Honor to the books of the corporation, and at this time I would like to make the books of the corporation a part of the examination of this witness, and the books of the corporation will be self-explanatory as to why he cannot answer. I say that with all deference and respect, may it please the Senator.

The CHAIRMAN. Of course, just being associated in business would—I don't see how the answer to that question would incriminate him. If the next question were about some matter that might involve a Federal offense, then, of course, he would have the right not to answer.

Mr. ORCHARD. We take the position, Your Honor, it involves both Federal and State offenses. With all due deference, of course, on that point.

The CHAIRMAN. I overrule you insofar as the State offense is concerned. Anyway, let the record show the witness is directed to answer that question and refused to do so.

Let's go on.

Mr. RICE. Were you served with a subpoena on behalf of this committee?

Mr. GILL. I submit, if Your Honor please, that that subpoena would speak for itself—the original.

The CHAIRMAN. The subpoena has been served, and the subpoena speaks for itself.

Mr. RICE. Where were you when you were served?

Mr. GILL. I object, sir.

Mr. TRAPANI. I refuse to answer on the grounds—

Mr. RICE. Isn't it true you were in the New Southport gambling club?

Mr. TRAPANI. I refuse to answer on the grounds—

The CHAIRMAN. The record shows he is being directed to answer these questions.

Mr. TRAPANI. I refuse.

Mr. GILL. Thank you, sir.

Mr. RICE. Isn't it true you are a partner in the New Southport Club?

Mr. TRAPANI. I refuse to answer on the ground it may tend to incriminate me.

Mr. RICE. And that you are associated in that club with Carlos Marcello; your brother, Victor Trapani—by the way, who is Charles Trapani?

Mr. TRAPANI. My brother.

Mr. RICE. He is your brother? How about James Trapani?

Mr. TRAPANI. My brother.

Mr. RICE. Isn't it true that you are associated in New Southport Club with those men?

Mr. GILL. I object.

Mr. TRAPANI. I refuse to answer on the ground that it might tend to incriminate me.

The CHAIRMAN. Do you know George Perez?

Mr. TRAPANI. Yes, sir.

Mr. RICE. Are you associated in the club with Perez?

Mr. TRAPANI. I refuse to answer on the ground it may tend to incriminate me.

Mr. RICE. Are you associated in business with Perez?

Mr. TRAPANI. I refuse to answer—

Mr. GILL. Would Your Honor permit—

The CHAIRMAN. I am directing your client to answer these questions.

Mr. GILL. And Your Honor will note that if he refuses to answer it is on the same grounds.

The CHAIRMAN. All right.

Mr. RICE. Are you not associated with Clarence Thomasia?

Mr. TRAPANI. Am I not now associated with Clarence Thomasia is the question?

Mr. RICE. Yes.

Mr. TRAPANI. I am not.

Mr. RICE. Were you in 1949?

Mr. TRAPANI. I refuse to answer the question on the grounds that it may tend to incriminate me.

Mr. RICE. How does it happen that—



The CHAIRMAN. Where is this New Southport Club? Can you tell us that, Witness?

Mr. TRAPANI. I refuse to answer the question, sir.

The CHAIRMAN. Do you know where it is?

Mr. TRAPANI. I refuse to answer the question.

The CHAIRMAN. All right.

Mr. RICE. How about Lennie Walter—

Mr. ORCHARD. He is dead.

Mr. RICE. How about Lennie Walter?

Mr. TRAPANI. He is dead, sir.

Mr. RICE. Were you associated with him in 1949?

Mr. TRAPANI. I refuse to answer that question. I refuse to answer.

Mr. GILL. Your Honor, I don't know how your statute of limitations runs in 10 or so of the other places where the committee might have investigated. The statute of limitations—as I say, we differ in the law—in the State courts in Louisiana it runs not from the date of the alleged violation; it runs from the date it is made known to a prosecuting officer, the judge, district attorney, or sheriff, who has authority to institute proceedings.

I say that so that Your Honor may understand some of the objections.

The CHAIRMAN. All right. Let's get on.

Mr. RICE. Louis Battalamente; do you know him?

Mr. TRAPANI. I know of him.

Mr. RICE. Are you associated in business with him?

Mr. TRAPANI. I refuse to answer the question, sir.

The CHAIRMAN. Well, specify what business, Mr. Rice, so we can—

Mr. RICE. Have you been associated in the New Southport Club with Louis Battalamente?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. The same question as to Richard Madere?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Zack Stickland?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Ben Haley?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Anthony Marcello?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Joseph Marcello.

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Vincent Marcello.

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Do you have a brother, Anthony?

Mr. TRAMPANI. Yes.

Mr. RICE. Are you associated with him in the New Southport Club?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. How about Al Schorling, do you know him?

Mr. TRAMPANI. I do.

Mr. RICE. Are you associated in business with him?

Mr. TRAMPANI. I was not.

Mr. RICE. What?

Mr. TRAMPANI. No; I was not.

Mr. RICE. Have you ever been associated with Al Schorling in business?

Mr. TRAMPANI. I can't remember being in business with him.

The CHAIRMAN. All right, let's get on.

Mr. RICE. How about Albert J. Salzer?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. How about Edwin Dowty?

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Isn't it true you are associated in the club with Dowty?

The CHAIRMAN. Is that the New Southport Club you are talking about?

Mr. RICE. Yes.

Mr. TRAPANI. I refuse to answer the question.

Mr. RICE. Floyd Luke?

Mr. ORCHARD. I would like you to fix a time of those associations, Mr. Counsel.

Mr. RICE. 1947, partly.

Mr. TRAPANI. I refuse to answer the question.

The CHAIRMAN. Let's get another witness, unless you have something else.

(Witness excused.)

**TESTIMONY OF VERNILE CAVALIER, NEW ORLEANS, LA., ACCOMPANIED BY ALCIDE WEYSHAM, ATTORNEY, NEW ORLEANS, LA.**

Mr. RICE. Have you stated your name for the record?

Mr. CAVALIER. Vernile Cavalier.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CAVALIER. I do.

Mr. RICE. Where do you live, Mr. Cavalier?

Mr. CAVALIER. 1230 North Galvez.

Mr. RICE. What is your business?

Mr. CAVALIER. Insurance business now.

The CHAIRMAN. Insurance business here in the city?

Mr. CAVALIER. That is right.

Mr. RICE. How long have you been in New Orleans, Mr. Cavalier?

Mr. CAVALIER. All my life.

Mr. RICE. Have you ever been arrested?

Mr. CAVALIER. Yes.

Mr. WEYHAM. Mr. Rice, I don't think that is pertinent.

The CHAIRMAN. Let's get on with the other point. If we want to ask him about that, we will.

Mr. RICE. All right, sir.

Going back to about 3 years ago, what were you doing?

Mr. CAVALIER. I was employed at Club Forest.

Mr. RICE. At the Club Forest?

Mr. CAVALIER. That is right.

Mr. RICE. And where is that?

Mr. CAVALIER. 407 Jefferson Highway.

Mr. RICE. What was the nature of your employment?

Mr. CAVALIER. At that time I was a dice dealer.

Mr. RICE. You were a dice dealer?

Mr. CAVALIER. That is right.

Mr. RICE. When were you first employed by the Club Forest?

Mr. CAVALIER. 1945.

Mr. RICE. 1945?

Mr. CAVALIER. That is right.

Mr. RICE. Who hired you?

Mr. CAVALIER. Mr. Lawrence Luke; I met at that time.

Mr. RICE. You were hired by Lawrence Luke as what?

Mr. CAVALIER. As a dice dealer.

Mr. RICE. As a dice dealer in the casino?

Mr. CAVALIER. Yes, sir.

Mr. RICE. Were you paid on a salary basis?

Mr. CAVALIER. Salary basis.

Mr. RICE. And in your salary were the usual withholding taxes deducted?

Mr. CAVALIER. Yes; withholding and social-security taxes were deducted.

Mr. RICE. Did you receive any compensation over and above your salary?

Mr. CAVALIER. I did not.

Mr. RICE. Did you receive expenses?

Mr. CAVALIER. I did not.

Mr. RICE. Now, sir, how long did you continue as a dice dealer?

Mr. CAVALIER. I imagine about 3½ years.

Mr. RICE. About 3½ years. Then what did you do?

Mr. CAVALIER. Well, during the time of dealing dice I was also relieving the cashier.

Mr. RICE. You were relieving the cashier?

Mr. CAVALIER. That is right.

Mr. RICE. Were you ever a card dealer?

Mr. CAVALIER. Yes.

Mr. RICE. When was that?

Mr. CAVALIER. Between about 1948 and 1949.

Mr. RICE. 1948 and 1949?

Mr. CAVALIER. Yes.

Mr. RICE. What games did you deal?

Mr. CAVALIER. Blackjack.

Mr. RICE. Blackjack.

The CHAIRMAN. Let me ask at this point: Does this club have, or did it when you worked there, a horse book and wire service?

Mr. CAVALIER. I believe they did.

The CHAIRMAN. You would know whether it did or not.

Mr. CAVALIER. I was on at night.

The CHAIRMAN. Did they have the equipment for a horse book?

Mr. CAVALIER. They were equipped for it; yes.

Mr. RICE. Were you ever there in the afternoon?

Mr. CAVALIER. Just 1 month when I was on the days.

Mr. RICE. You were there for a month during the day?

Mr. CAVALIER. Yes.

Mr. RICE. What were you doing during the day?

Mr. CAVALIER. Managing the blackjack table.

Mr. RICE. That was in the afternoon?

Mr. CAVALIER. In the afternoon.

Mr. RICE. Was that located in the same room where there was a horse book operating?

Mr. CAVALIER. That is right.

Mr. RICE. Did the horse book receive wire service? Have a ticker?

Mr. CAVALIER. I believe they had a ticker, if I am not mistaken.

Mr. RICE. How were the race results coming in?

Mr. CAVALIER. I don't know. They would just put it over the loud-speaker, the amplifier.

Mr. RICE. Get the run-down on the races as they went?

Mr. CAVALIER. That is right.

Mr. RICE. And the results immediately from tracks all over the country?

Mr. CAVALIER. Yes.

Mr. RICE. Now, how was the horse book operated? What did the betters do?

Mr. CAVALIER. Well, I guess they bet just like any other place, because I did not have nothing to do with the race horses.

Mr. RICE. Did you ever make a bet on the horse book while you were there?

Mr. CAVALIER. Yes. Most likely. That is just common.

Mr. RICE. What did you do, write your bet out on a slip?

Mr. CAVALIER. No; I would send it with the porter.

Mr. RICE. You sent it with the porter?

Mr. CAVALIER. That is right.

Mr. RICE. After the race was run were you paid immediately?

Mr. CAVALIER. Yes, sir.

Mr. RICE. In cash?

Mr. CAVALIER. The porter would collect it from him.

Mr. RICE. To enable you to bet the next race?

Mr. CAVALIER. That is right.

Mr. RICE. Who was operating the horse book?

Mr. CAVALIER. I would not know. Most likely the Mills, who are the owners of the club.

Mr. RICE. Mills are the owners?

Mr. CAVALIER. As far as I know.

Mr. RICE. Which Mills are those?

Mr. CAVALIER. I believe that is Frank, Arthur, and Henry.

Mr. RICE. Frank, Arthur, and Henry?

Mr. CAVALIER. That is right.

Mr. RICE. Have you seen them lately?

Mr. CAVALIER. I haven't seen them in over a year.

Mr. RICE. Was anyone else associated in the ownership of this club?

Mr. CAVALIER. Well, I believe Osmond Litoff.

The CHAIRMAN. Not what you believe. Tell what you know, sir.

Mr. CAVALIER. I was not no executive of the club. I mean, a stockholder.

Mr. WEYSHAM. May I suggest this, Mr. Rice? In that case that we tried over in Gretna, in the twenty-fourth judicial district court, Mr. Schorling stated Frank Mills was the president. I give you the transcript.

Mr. RICE. Who was Mr. Schorling?

Mr. CAVALIER. He was the night manager.

Mr. RICE. The night manager?

Mr. CAVALIER. That is right.

Mr. RICE. Now, sir, on the dice games. What were your particular duties?

Mr. CAVALIER. My duty on the dice table was just to deal to the players.

Mr. RICE. To deal to the players?

Mr. CAVALIER. That is right.

Mr. RICE. Were you in a supervisory job at any time?

Mr. CAVALIER. Only for a period of 3 months.

Mr. RICE. Three months?

Mr. CAVALIER. That is right.

Mr. RICE. And as supervisor what were your duties?

Mr. CAVALIER. To see that the game was conducted in an orderly manner.

Mr. RICE. To see that the dice game was conducted. And the other dice dealers took care of that?

Mr. CAVALIER. That's right.

Mr. RICE. How many tables did you watch?

Mr. CAVALIER. One.

Mr. RICE. Who was your immediate superior in the dice?

Mr. CAVALIER. At the time, Mr. Perez.

Mr. RICE. Mr. Perez?

Mr. CAVALIER. That is right.

Mr. RICE. Pete Perez?

Mr. CAVALIER. Pete Perez.

Mr. RICE. What was his job?

Mr. CAVALIER. He was the manager of the table.

Mr. RICE. He is the manager of all the tables?

Mr. CAVALIER. That is right.

Mr. RICE. Now, sir, did you have any funds or moneys to use in furtherance of your job as the supervisor?

Mr. CAVALIER. No; I did not.

Mr. RICE. Any expense money available to you?

Mr. CAVALIER. No.

Mr. RICE. Suppose the player at the dice game wanted a drink or a package of cigarettes. How would he arrange for that?

Mr. CAVALIER. We usually would buy them their drinks.

Mr. RICE. You would buy them their drinks?

Mr. CAVALIER. Yes.

Mr. RICE. They would not pay for them?

Mr. CAVALIER. No.

Mr. RICE. Well, how about cigarettes?

Mr. CAVALIER. Sometimes we gave them the cigarettes.

Mr. RICE. How would that be indicated in the records? Would you show that as an expense, or put a slip in for that?

Mr. CAVALIER. I used to sign a slip, but the porters would bring the drinks. All I had to do was sign a slip to show that the drinks were given.

Mr. RICE. What would you put on the slip?

Mr. CAVALIER. Just my name.

Mr. RICE. What would you say?

Mr. CAVALIER. Nothing. I would not say anything. It was written out, "1 coke," "1 bottle of beer."

Mr. RICE. When the ticket came from the restaurant-part for a certain expense, you would sign the tab and turn it in?

Mr. CAVALIER. Yes, sir.

Mr. RICE. And you assume then it was charged as an expense?

Mr. CAVALIER. That is right.

Mr. RICE. Who would you turn that in to?

Mr. CAVALIER. The porter turned that in to the cashier. I didn't touch it.

Mr. RICE. Did you say you operated as a cashier for a time?

Mr. CAVALIER. As a relief cashier.

Mr. RICE. For how long?

Mr. CAVALIER. For a period of about 5 months.

Mr. RICE. What are the duties of a cashier?

Mr. CAVALIER. All we did was to cash the chips which the players brought in exchange for money.

Mr. RICE. You would cash the chips as the players left?

Mr. CAVALIER. That is right.

Mr. RICE. You would cash the chips as the players brought them in to be cashed?

Mr. CAVALIER. Yes, sir.

Mr. RICE. Now, as a cashier, would you issue money for any purposes?

Mr. CAVALIER. Well, if the bosses asked for any money we would give it to them.

Mr. RICE. If the bosses asked for money?

Mr. CAVALIER. That is right.

Mr. RICE. Who were the bosses again?

Mr. CAVALIER. At that time, Mr. Schorling, Mr. Gallo.

Mr. RICE. Mr. Schorling and Mr. Gallo?

Mr. CAVALIER. That is right.

Mr. RICE. Vic Gallo?

Mr. CAVALIER. That is right.

Mr. RICE. They were bosses.

Mr. CAVALIER. That's right.

Mr. RICE. Were they managers in the dice games?

Mr. CAVALIER. Well, they were night managers, I would say.

Mr. RICE. Now, then, they would come to you from time to time for money?

Mr. CAVALIER. That is right.

Mr. RICE. And give us an example what they would say when they wanted the money?

Mr. CAVALIER. Well, they just would come up and say, "Let me have a certain amount of money, and charge it to me."

Mr. RICE. And charge it to them?

Mr. CAVALIER. Yes; whoever it was, Mr. Gallo or Mr. Schorling.

Mr. RICE. Now, then, did they ever come up and ask you for any money for "ice"?

Mr. CAVALIER. Usually the money which they asked for was for the "ice."

Mr. RICE. It was for the "ice"?

Mr. CAVALIER. That's right.

Mr. RICE. How do you know that?

Mr. CAVALIER. I kept a separate sheet for that.

Mr. RICE. You kept a separate "ice" sheet?

Mr. CAVALIER. That is right.

Mr. RICE. What is "ice" ?

Mr. CAVALIER. Well, "ice" is most anything you want to call it, whatever they wished to use the money for.

Mr. RICE. What is it in your words?

Mr. CAVALIER. Well, I would not know how to explain that now. That is a question there that is really going to be hard to answer.

Mr. RICE. Was there an "ice man" that came around?

Mr. CAVALIER. No; there was no ice man.

Mr. WEINSTEIN. Mr. Chairman, my name is Robert Weinstein, 624 Whitney Bank Building, New Orleans, La.

I represent Al Salzer, who is here today, and Mr. Pete Perez. I would like very much if you, Mr. Chairman, would instruct this witness that the rules of perjury apply to the witnesses called by the committee as well as the witnesses who might be called, you might say, being investigated.

The CHAIRMAN. All right. Well, he knows that, anyway, I am sure.

Mr. RICE. Now, sir, what is your understanding of the "ice"? Isn't that protection?

Mr. CAVALIER. Well, it could be that, and it could be expense.

Mr. RICE. It could be expense?

Mr. CAVALIER. Operational expense.

Mr. RICE. It was money, was it not?

Mr. CAVALIER. That is right.

Mr. RICE. And Gallo or Schorling would draw money and they would say "ice"? What would you do?

Mr. CAVALIER. Mark it down under their name, and the amount.

Mr. RICE. And would you write "ice" there?

Mr. CAVALIER. No; just a separate sheet of paper, blank paper I would put their names on it.

Mr. RICE. On a separate sheet, you would put their names.

Mr. CAVALIER. That's right.

Mr. RICE. Would you indicate what the money was for?

Mr. CAVALIER. No.

Mr. RICE. Did they run an account for each dice table?

Mr. CAVALIER. They did.

The CHAIRMAN. Let's get to the amount of it. Are these small amounts, large amounts, or what was it?

Mr. CAVALIER. It would be anything from a dollar on up to a thousand.

The CHAIRMAN. You mean you had some cases of a thousand dollars?

Mr. CAVALIER. That is right.

Mr. RICE. What was the highest amount that you recall?

Mr. CAVALIER. I could not recall the exact figures, but I know it was in the thousands.

Mr. RICE. More than \$1,000?

Mr. CAVALIER. Yes.

Mr. RICE. Were there any law-enforcement officers there when one of these men called for "ice"?

Mr. CAVALIER. Well, the only one time that I recall the man, when Paul Cassagne was there.

Mr. RICE. A man by the name of what?

Mr. CAVALIER. Paul Cassagne.

Mr. RICE. Paul Cassagne? Who is he?

Mr. CAVALIER. I believe he is the chief deputy sheriff, Jefferson Parish.

Mr. RICE. Do you know him when you see him?

Mr. CAVALIER. I know him, but I don't know him personally.

Mr. RICE. Which one of the men asked you for the "ice" when Cassagne was there?

Mr. CAVALIER. I believe it was Al Schorling.

Mr. RICE. Do you recall the amount?

Mr. CAVALIER. No; I don't.

Mr. RICE. Do you remember when it was you were relief cashier?

Mr. CAVALIER. No; at night. The time it is I would not know.

Mr. RICE. What year?

Mr. CAVALIER. Well, it had to be in 1949.

Mr. RICE. 1949. Now, at the time that Cassagne was there when Schorling drew down some money for "ice," was it a large amount? A thousand dollars or more?

Mr. CAVALIER. It probably was.

Mr. RICE. It probably was?

Mr. CHAIRMAN. Tell your best judgment about what it was.

Mr. CAVALIER. Your Honor, I would not know the exact figure.

Mr. TALBOT. Mr. Chairman, I hate to interrupt. I represent Mr. Cassagne.

The CHAIRMAN. Well, Mr. Cassagne will have an opportunity to testify.

Mr. TALBOT. I know, but I think in all fairness this inferential testimony should not be allowed in this record unless that man can testify that he saw some money passed to Mr. Cassagne.

Mr. WEYSHAM. He can testify to what he knows.

Mr. TALBOT. And not try to smear him.

The CHAIRMAN. Will you take your seat, please? You have already had your say.

Mr. WEINSTEIN. I want to say something else.

The CHAIRMAN. We will give you an opportunity.

Mr. WEINSTEIN. Mr. Senator, may I please ask you one thing?

The CHAIRMAN. We will give you an opportunity later on. We have a witness here now.

All right, let's get down to the specific and what happened.

Mr. RICE. Now, sir, when Schorling drew the money for the "ice," did you see him do anything with it?

Mr. CAVALIER. No.

Mr. RICE. Did you see him go any place with Cassagne?

Mr. CAVALIER. No; he just went in a private office.

Mr. RICE. With Cassagne?

Mr. CAVALIER. That is right.

Mr. RICE. He and Cassagne went in a private office?

Mr. CAVALIER. Yes.

Mr. RICE. And how long did they stay there?

Mr. CAVALIER. I really don't know.

Mr. RICE. Then what happened?

Mr. CAVALIER. Nothing that I know of.

Mr. RICE. Did Cassagne leave or Schorling leave?

Mr. CAVALIER. I didn't see him leave.

Mr. RICE. You didn't see him after that?

Mr. CAVALIER. No.



Mr. RICE. Have you ever seen any other law-enforcement officers in the Club Forest?

Mr. CAVALIER. No. There were a few deputies around there.

Mr. RICE. A few deputies around there. Who were they?

Mr. CAVALIER. I don't know their names. All I know is that they are deputy sheriffs.

Mr. RICE. Do you know their first names?

Mr. CAVALIER. No.

Mr. RICE. How do you know they are deputy sheriffs?

Mr. CAVALIER. Because they told me they were.

Mr. RICE. They told you they were?

Mr. CAVALIER. That is right.

Mr. RICE. Would you know them if you saw them?

Mr. CAVALIER. I would know them if I saw them; yes.

Mr. RICE. What was their duties?

Mr. CAVALIER. One of them was driving a house car there, and another one was a doorman.

The CHAIRMAN. Did they have badges on, or do you remember?

Mr. CAVALIER. No; they didn't have badges.

Mr. RICE. Were they on the payroll, as far as you know?

Mr. CAVALIER. As far as I know they were.

The CHAIRMAN. Well, I must say, the witness says he does not know who they were. If you can't say who they were, why, I don't know how you would know they were on the payroll.

Mr. RICE. Did they tell you they were being paid there?

Mr. CAVALIER. They did.

Mr. RICE. They told you they were being paid?

Mr. CAVALIER. That is right.

Mr. RICE. Have you ever seen any law-enforcement officers in there who were not employed?

Mr. CAVALIER. No.

Mr. RICE. Do you know Gus LaCoco?

Mr. CAVALIER. He was the manager of the restaurant there at one time.

Mr. RICE. At one time. At what time?

Mr. CAVALIER. I believe up to the beginning of 1949.

Mr. RICE. Up to 1949?

Mr. CAVALIER. That is right.

Mr. RICE. Did you talk to him about his business?

Mr. CAVALIER. He used to tell me a lot about his business.

Mr. RICE. Did he tell you what his arrangements were with the ownership of the club, in connection with his operations?

Mr. CAVALIER. Well, he told me that they allowed him so much a month, gave him so much a month to operate the restaurant, and he made all the profit on the soft drinks and beer.

Mr. RICE. Now, then, did he have what you might call a concession?

Mr. CAVALIER. Most likely it is a concession.

Mr. RICE. Now, they gave him so much a month to operate?

Mr. CAVALIER. They paid him to operate it.

Mr. RICE. And he was in complete control of the restaurant phase?

Mr. CAVALIER. That is right.

Mr. RICE. And was that payment several hundred dollars?

Mr. CAVALIER. I imagine it was.

Mr. RICE. Did he pay any rent?

Mr. CAVALIER. No; he didn't pay any rent.

Mr. RICE. He didn't pay any rent?

Mr. CAVALIER. As far as what he told me; no.

Mr. RICE. Did they furnish him any employees that he didn't pay?

Mr. CAVALIER. Porters to clean up.

Mr. RICE. He got porters to clean up?

Mr. CAVALIER. That is right.

Mr. RICE. Any other employees?

Mr. CAVALIER. None.

Mr. RICE. And he made what profit he could, then, from the restaurant and from the drinks, and was paid to run the concession?

Mr. CAVALIER. That is right.

Mr. RICE. And he had no expenses as to rent?

Mr. CAVALIER. No; none at all.

Mr. RICE. Did he tell you whether he was making money or losing money under that arrangement?

Mr. CAVALIER. Well, I mean he told me that he was doing all right.

Mr. RICE. That he was doing all right. Was it your understanding, then, that the food concession there was merely as an accommodation to lure the players to the establishment?

Mr. CAVALIER. That is right.

Mr. RICE. Now, sir, suppose someone playing at a dice table ran out of money. Would any arrangements be made to cash a check?

Mr. CAVALIER. Well, yes, they could arrange and identify themselves and we cashed the check for them.

Mr. RICE. They would identify themselves. Who would be in charge of the credit department, or who would be authorized to?

Mr. CAVALIER. Mr. Gallo usually took care of that.

Mr. RICE. Suppose you were operating a table as a supervisor, and a player approached you and said, "I would like to get a check cashed"?

Mr. CAVALIER. If I knew the man I would cash it for him.

Mr. RICE. You were authorized to do that?

Mr. CAVALIER. That is right.

Mr. RICE. What would you do with the check?

Mr. CAVALIER. Just initial it.

Mr. RICE. Initial it and send him to the cashier?

Mr. CAVALIER. That is right.

Mr. RICE. Up to what amounts were you authorized?

Mr. CAVALIER. I very seldom went over a hundred dollar check.

Mr. RICE. Your instructions were if it was a substantial amount to refer the man to Mr. Gallo?

Mr. CAVALIER. That is right.

Mr. RICE. Was that done on a number of occasions?

Mr. CAVALIER. Plenty of occasions.

Mr. RICE. Suppose a player ran out of money while playing and indicated he had an item of jewelry that he would like to put up?

Mr. CAVALIER. Well, sometimes we use to lend him money on it.

Mr. RICE. You would lend money on jewelry?

Mr. CAVALIER. That is right.

Mr. RICE. Did that happen many times?

Mr. CAVALIER. Well, I imagine so.

Mr. RICE. Well, what were the arrangements on that? Did they have an appraiser?

Mr. CAVALIER. They would just leave their watch or ring, whatever it was, and we would lend them the money. If they should call back it would be there waiting for them.

Mr. RICE. Now, who fixed the amount that would be loaned on a watch or a ring?

Mr. CAVALIER. Well, usually the manager, whatever—he would look the watch or ring over and see what it was worth.

Mr. RICE. How about Mr. Cheramie, did he have anything to do with the jewelry?

Mr. CAVALIER. Who is that?

Mr. RICE. Cheramie.

Mr. CAVALIER. Cheramie?

Mr. RICE. Yes; Cheramie.

Mr. CAVALIER. Well, yes; anything valuable.

Mr. RICE. What would he do?

Mr. CAVALIER. He would talk to the man about it.

Mr. RICE. And examine it?

Mr. CAVALIER. Examine it.

Mr. RICE. With a jeweler's glass?

Mr. CAVALIER. I don't think.

Mr. RICE. Look it over?

Mr. CAVALIER. Look it over.

Mr. RICE. Particularly diamonds?

Mr. CAVALIER. Diamonds or watches.

Mr. RICE. Now what happened to the customer who put up the watch or ring and wanted to redeem it? What arrangements could he make?

Mr. CAVALIER. He could always come back and get it.

Mr. RICE. He could always come back.

Mr. CAVALIER. That's right.

Mr. RICE. Did they generally do that?

Mr. CAVALIER. They did.

Mr. RICE. Would he have to put up the full amount to get it back?

Mr. CAVALIER. Full amount; yes. Sometimes they gave it back to him for a little less.

Mr. RICE. Now, then, were these items of jewelry sometimes built up in the club to the point where they would have to get rid of them in a group, a bunch?

Mr. CAVALIER. Well, at one time there they built up and they got rid of them all.

Mr. RICE. They got so many items of jewelry they had to get rid of them. How did they do that?

Mr. CAVALIER. They just auctioned them off to the employees.

Mr. RICE. Auctioned them off to the high bidder?

Mr. CAVALIER. That is right.

Mr. RICE. How many rings and watches would you say were auctioned off?

Mr. CAVALIER. I would not know because I was not there at the time.

The CHAIRMAN. All right; anything else?

Mr. RICE. Now, suppose that a check that a customer gave to the club turned out to be returned by the bank for insufficient funds, what steps would be taken?

Mr. CAVALIER. Well, there would be no steps taken. It would just be a bad check; that is all.

Mr. RICE. Did that ever happen?

Mr. CAVALIER. Plenty of times.

Mr. RICE. Well, is it true, at least on one occasion, someone who gave a bad check was administered a beating for doing that?

Mr. CAVALIER. Well, it was just hearsay. I don't know anything about it.

The CHAIRMAN. If you don't know anything about it, don't tell.

Mr. RICE. Now, sir, did you ever apply for employment at another gambling club?

Mr. CAVALIER. I did at Beverly Country Club.

Mr. RICE. At the Beverly. When was that?

Mr. CAVALIER. I imagine that was in 1947.

Mr. RICE. And with whom did you talk about that?

Mr. CAVALIER. I seen Mr. Kastel at the time.

Mr. RICE. You talked to Mr. Kastel. And what was the conversation?

Mr. CAVALIER. Well, he told me he would let me have the job if I got O. K.'d by Paul Cassagne.

Mr. RICE. If you got an O. K. through Paul Cassagne?

Mr. CAVALIER. That is right.

Mr. RICE. What did you understand him to mean by that?

The CHAIRMAN. Well, let's see: Did you get an O. K. or did you see him about it?

Mr. CAVALIER. I did, but he told me "No.;" to stay at Club Forest.

The CHAIRMAN. He told you to stay at Club Forest?

Mr. CAVALIER. That is right.

Mr. RICE. What reason did he give you?

Mr. CAVALIER. Because I was not a resident of Jefferson Parish.

Mr. RICE. Because you were not a resident of Jefferson Parish? You were working at Club Forest, but because you were not a resident of Jefferson Parish he would not O. K. you to work at the Beverly; is that it?

Mr. CAVALIER. That is right.

The CHAIRMAN. I believe the only trouble you have been in was something about a lottery, with \$200 fine?

Mr. CAVALIER. That is right.

The CHAIRMAN. Have you been in any other trouble?

Mr. CAVALIER. None at all.

Mr. RICE. You got fined \$200?

Mr. CAVALIER. That is right.

Mr. RICE. Did you pay the fine? Or who paid it?

Mr. CAVALIER. Mr. Cigali paid the fine.

Mr. RICE. What is his first name?

Mr. CAVALIER. Tony Cigali; Anthony.

The CHAIRMAN. How come he paid it?

Mr. CAVALIER. I was working for him at the time.

Mr. RICE. Where?

Mr. CAVALIER. New Orleans.

Mr. RICE. Doing what?

Mr. CAVALIER. A lottery.

The CHAIRMAN. Anything else?

Mr. RICE. How long ago was that?

Mr. CAVALIER. Well, that was just before the war started. I imagine in—worked for him for 7 or 8 years up until the time the war started. That must be up until about 1941.

Mr. RICE. During that time he was running a lottery?

Mr. CAVALIER. That is right.

The CHAIRMAN. All right; thank you, Mr. Cavalier.

(Witness excused.)

**TESTIMONY OF DAVID C. H. FINN, JR., PRESIDENT, LOCAL 410,  
TELEPHONE WORKERS, NEW ORLEANS, LA.**

The CHAIRMAN. What is your name?

Mr. FINN. David C. H. Finn.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. FINN. I do.

The CHAIRMAN. Where do you live, Mr. Finn?

Mr. FINN. 1823 Congress Street.

The CHAIRMAN. You are connected with the telephone workers here?

Mr. FINN. That is right.

Mr. RICE. You suggested to Mr. Martin you would like to appear in explanation of some testimony given here yesterday that the telephone company had told Mayor Morrison that some of these telephones that were put in, were not done with their authorization; that it was awfully hard to control all of the employees. Is that the substance of it?

Mr. FINN. That is right.

The CHAIRMAN. And you are representing the employees?

Mr. FINN. That's right.

The CHAIRMAN. All right; suppose you tell us about it.

Mr. FINN. I believe that you have information pertaining to that which has been made in photostatic copies.

Yesterday Mayor Morrison's testimony there stated that employees were putting in telephones without the knowledge of the telephone company itself.

The CHAIRMAN. Well, I think he said that that was what the telephone company officials have told him.

Mr. FINN. Yes.

You have the photostatic copies before you, and you can see Mr. Lackey, who is the commercial district manager in New Orleans. His name was on these orders actually worked by the employees.

You can also notice on such testimony there the employees' names who have turned down such orders.

The CHAIRMAN. Suppose I give you these photostats—I can't make them out very well—and you tell us.

Mr. RICE. All right. Do you have the original?

Mr. FINN. Yes, sir; I have the originals.

The CHAIRMAN. You had photostats made for our benefit?

Mr. FINN. These photostats are kept in order to protect—I mean the originals are kept in order to protect the employees, because Mayor Morrison at one time when he first came into office stated that he was going to rid New Orleans of gambling. Well, at that time two employees were fired from the telephone company. The Kefauver committee comes along and states that they are going to come to New

Orleans. Another employee is fired—not fired but put on a pension.

In one of the instances, the first instance I mention, the police had no records of making a raid at any place where they were supposed to have been putting in phone books; and at the same time they were given orders to put in such phones as that, and in Miami it was agreed upon since the employee is in the middle and more or less holding the bag by the telephone company to come along whenever they see fit to maybe throw in the eyes of the public some good relations, that someone is discriminated against in the telephone company; one of the workers. So it was agreed upon, if the workers came in putting in some line, which is more or less the installers, if they surmised that it was going to be used as a bookie then they would turn such orders down.

Yesterday in the papers, I understand, management of the telephone company stated that their attorneys told them that they haven't the right to turn down such orders. Now it has been agreed upon with the union that the employees would have such a right as that.

The CHAIRMAN. Whose agreement? You mean the union agreed to it?

Mr. FINN. We wanted to make sure our employees would have some protection, because they were being left open to the discrimination of themselves by management at their whims.

The CHAIRMAN. In other words, in your union you have decided that where you have the suspicion it was going to be used for gambling purposes you just refused to put the telephone in.

Mr. FINN. Until they have the signature of the commercial representative or the authority from some source in management.

The CHAIRMAN. Suppose you go through those photostats one by one and mark them, the first one "Exhibit 1" and tell what that is.

Mr. FINN. Exhibit 1 is Audubon 6212.

The CHAIRMAN. Mark it on the back.

Mr. FINN. "Turned down at 2 o'clock on April 29, 1949, by B. Stewart." It was later approved by Mr. Harry B. Lackey. It was at Fatso's Bar, 3305 Dumaine Street. Whether this is a bookie or not, I don't know. That is an approval.

The CHAIRMAN. In other words, B. Stewart didn't want to put the telephone in unless he got a direct order?

Mr. FINN. That is right, approved by management.

The CHAIRMAN. What is the next one?

Mr. FINN. The next one is marked "Finn-2." At Jim's Plaza Club at Kenner, La. It was a direct line and they don't have the man that turned it down, but it was later approved by Mr. Harry B. Lackey, of the telephone company, commercial manager for this area.

The CHAIRMAN. The next one is exhibit 3. Let's tell briefly what it is.

Mr. FINN. 3 is, it just says, a restaurant at 3001 Metairie, Jefferson Highway. This was also turned down by the employee and at a later date approved by Harry B. Lackey.

The CHAIRMAN. Which employee do you see?

Mr. FINN. Some of them, they didn't put their names on it. This was the 9th, the 11th—September 11.

Mr. RICE. How many installations were there on that?

Mr. FINN. This is a direct line.

Mr. RICE. Just one?

Mr. FINN. Yes.

The CHAIRMAN. The next is exhibit 4. Let's see what that is.

Mr. FINN. 4 has been turned down by Mr. Hazard and Roloff; Temple 5951, Palmisano Riding Club, No. 12 River Road, Jefferson Parish, La. It was later approved by Mr. Harry B. Lackey.

The CHAIRMAN. What is exhibit 5?

Mr. FINN. Exhibit 5 is a letter to the employee. It is dated New Orleans, La., December 7. It goes on, and a copy has been sent to Mr. M. H. Gaston, manager, Temple plant group; also a copy to Mr. W. T. Archer, supervisor, district, New Orleans, La.; Mr. Prentiss Landers, district plant manager, New Orleans, La.

Order I-256768, DD12-11. Ledners Restaurant, 1101 Jefferson Highway—a direct line—

This will be your authority to make the above installation. An affidavit has been secured from Mr. L. J. Luke, who will operate a business at the above address, certifying telephone facilities and the installation will not be used in the operation of a handbook, nor for the dissemination of racing information.

The CHAIRMAN. What brought that about?

Mr. FINN. Well, one of these orders like this were turned down. This is the new style that is coming out now. They were writing letters to the employees themselves to have it put in. They used to have it approved.

The CHAIRMAN. The installation had been turned down and they ordered the employees to put it in; saying that an affidavit had been secured.

Mr. FINN. That is right.

The CHAIRMAN. All right.

And the exhibit 6. Don't read it, but just tell what it is.

Mr. FINN. It is the same thing as this one of five.

The CHAIRMAN. In other words, Mr. Finn, your testimony is that wherever there is a representative of the union—are you an officer of the union?

Mr. FINN. I am the president of the local; that is right.

The CHAIRMAN. What is the local?

Mr. FINN. 410.

The CHAIRMAN. That instruction to all your members is that if they have any grounds to believe it is going to be used for any illegal purposes, "Don't put the telephone in unless you secure a direct order." Is that it?

Mr. FINN. That is right. With the approval of the higher-ups in management.

The CHAIRMAN. And you think that your members have to the best of their ability followed out that instruction?

Mr. FINN. That is right.

Mr. RICE. And you have these specific cases to prove where that has been done?

Mr. FINN. That is right.

The CHAIRMAN. I think that is a very good service you are doing on behalf of your union. I congratulate you on it. I am glad you have come here to tell us about it.

Mr. FINN. Thank you, sir.

The CHAIRMAN. Give those to the reporter.

(The documents were marked "Exhibit No. 18," and are on file with the committee.)

(Witness excused.)

**TESTIMONY OF JAMES BROCATO (JIMMY MORAN), NEW ORLEANS, LA., ACCOMPANIED BY SAM MONK ZELDEN, ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Moran, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. MORAN. I do.

The CHAIRMAN. What is your name?

Mr. ZELDEN. Zelden, Z-e-l-d-e-n; Sam Monk Zelden.

The CHAIRMAN. You are representing Mr. Moran?

Mr. ZELDEN. Yes, sir.

The CHAIRMAN. We are not advertising your restaurant, but this is an attractive card you have here.

Mr. MORAN. Thank you, sir. It is a calendar.

The CHAIRMAN. Some of my associates said they went down there and it is very good.

Mr. MORAN. It is "Food for Kings."

The CHAIRMAN. 809 St. Louis Street, New Orleans.

Mr. MORAN. Yes, sir.

The CHAIRMAN. We want to get down to the essential matters now.

Mr. RICE. What is your true name?

Mr. MORAN. My name is James Brocato.

Mr. RICE. James Brocato?

Mr. MORAN. Yes, sir.

Mr. RICE. I see. Where were you born?

Mr. MORAN. New Orleans.

Mr. RICE. And you have been here all your life?

Mr. MORAN. Every day of my life; every Christmas of my life.

Mr. RICE. Ever do any fighting?

Mr. MORAN. Boxing.

Mr. RICE. Under what name?

Mr. MORAN. Jimmy Moran.

Mr. RICE. How far did you go?

Mr. MORAN. Well, I boxed for 6 or 7 years.

Mr. RICE. Did you get to the championship?

Mr. MORAN. No; just 15 rounds.

The CHAIRMAN. What weight were you?

Mr. MORAN. Well, I started at 22 and stopped at 58; 122 and 158; middleweight.

Mr. RICE. What do you weigh now?

Mr. MORAN. 212.

Mr. RICE. Did there come a time when you became associated with the Louisiana Mint Co.?

Mr. MORAN. Let's see. That was around in 1935?

Mr. RICE. Yes.

Mr. MORAN. Yes, sir.

Mr. RICE. And what business was that?

Mr. MORAN. I was friendly with Brainard—

Mr. RICE. Yes?



Mr. MORAN. And we were very good friends. In fact, we used to go fishing and hunting together.

The CHAIRMAN. Who was that? I didn't understand you.

Mr. MORAN. Brainard.

Mr. RICE. Brainard; he is dead now?

Mr. MORAN. Yes, sir. He died in 1937, late in 1937; the summer; June.

Mr. ZELDEN. Mr. Rice, I think you confused something there. You mentioned the Louisiana Mint Co.

Mr. RICE. Yes.

Mr. ZELDEN. You mentioned 1935?

The CHAIRMAN. That was the Bayou Novelties.

Mr. RICE. Were you in the Bayou or the Pelican Co.?

Mr. MORAN. That was later.

Mr. RICE. 1934?

Mr. MORAN. The first one I was a partner of Mr. Brainard.

Mr. RICE. Tell us when you first got into any business with Frank Costello.

Mr. MORAN. I wasn't in any business with Costello.

Mr. RICE. Wasn't he interested in one of those companies?

Mr. MORAN. I think he was.

Mr. RICE. Didn't that put you in business with him?

Mr. MORAN. With Brainard.

Mr. CHAIRMAN. Suppose you see how we get along this way: Mr. Moran, you are here; you appear to want to be cooperative.

Mr. MORAN. Yes, sir.

The CHAIRMAN. Suppose you just start out with your dealing in the vending machines with the Mint Co., or whatever it was, and tell when you got started and what your situation was and what happened about it.

Mr. ZELDEN. Senator, can I just make this one suggestion? Mr. Moran has come here for the express purpose of cooperating to the best of his ability.

The CHAIRMAN. A little louder.

Mr. ZELDEN. Mr. Moran has come here for the express purpose of cooperating to the best of his ability.

The CHAIRMAN. We appreciate that. We are glad to have somebody who wants to cooperate occasionally.

Mr. ZELDEN. I believe it would be much easier for Mr. Moran, instead of making a monolog or discussing about himself, if you would ask questions.

The CHAIRMAN. All right. I thought the other way we would get at it better, but if you would rather we just ask questions, all right.

Mr. ZELDEN. Yes, sir.

The CHAIRMAN. Then go ahead, Mr. Rice.

Mr. RICE. All right, sir. When did you first become associated with Frank Costello?

Mr. MORAN. Well, I was not in business with Mr. Costello; my partner was.

Mr. RICE. When did you first meet him?

Mr. MORAN. I met Mr. Costello in 1932-33; in that year.

Mr. RICE. Where was that?

Mr. MORAN. In New Orleans.

Mr. RICE. What was he doing then?

Mr. MORAN. I was introduced to him by Mr. Brainard.

Mr. RICE. All right, sir. Then you had a partnership with Mr. Brainard?

Mr. MORAN. Right, sir.

Mr. RICE. And he had an interest in the Pelican Novelty Co.; Bayou Novelty and the Louisiana Mint?

Mr. ZELDEN. That is not true. That is not true.

Mr. RICE. What is the story then? What is the situation?

Mr. MORAN. Brainard died in 1937.

Mr. ZELDEN. There is no attempt on my part to clog up this record—

Mr. RICE. And when Brainard died you took over his interest, did you not?

Mr. MORAN. Oh no, no, no. Everything stopped.

Mr. RICE. Everything stopped?

Mr. MORAN. Yes, sir.

Mr. RICE. Louisiana Mint kept going along after 1937?

Mr. MORAN. Oh, no.

Mr. RICE. When did it stop according to you?

Mr. MORAN. I think around September.

Mr. RICE. I see. Did you ever have an interest in the company separate from Mr. Brainard?

Mr. MORAN. No, sir.

Mr. RICE. What was the business of the company?

Mr. MORAN. They had a mint machine.

Mr. RICE. He had a mint machine?

Mr. MORAN. Right, sir.

Mr. RICE. Wasn't it a slot machine?

Mr. MORAN. It paid off in mints.

Mr. RICE. Did it pay off in anything else?

Mr. ZELDEN. I believe that the witness is somewhat confused by your questions. He doesn't know whether you are referring to the Louisiana Mint Co., the Bayou or Pelican Novelty Co.

Mr. RICE. I am talking about the Louisiana Mint Co.

Mr. ZELDEN. The company that started in 1942. Is that right?

Mr. RICE. Right. Did you draw a salary from Louisiana Mint?

Mr. ZELDEN. Louisiana Mint. Now, that is the last company.

Mr. MORAN. The last company?

The CHAIRMAN. Let's get these straight. The first company was the Bayou Novelty Co.?

Mr. ZELDEN. The first one.

The CHAIRMAN. Which was incorporated back in 1935. Mr. G. R. Brainard was either one of the partners or one of the principal stockholders, and you were his partner in that?

Mr. MORAN. Right, Senator.

The CHAIRMAN. Although he appeared of record, you were his partner?

Mr. MORAN. Right, sir.

The CHAIRMAN. You come along, and the next thing is the Pelican Novelty, 2601 Chartres Street, which took over the work of the Bayou Novelty Co., and G. R. Brainard was first a partner in that and he passed away?

Mr. MORAN. Right, sir.

The CHAIRMAN. You were his partner in that?

Mr. MORAN. Yes, sir.

The CHAIRMAN. When he died you took over his interest?

Mr. MORAN. No. Everything folded up.

The CHAIRMAN. Well, you appear to be still in the—then the next company was the Louisiana Mint Co.

Mr. MORAN. Yes. I got a salary in the next one.

The CHAIRMAN. What is that?

Mr. MORAN. I did.

The CHAIRMAN. Then the next one is the Louisiana Mint Co., and you appear to be in that, too.

Mr. MORAN. In both. One was as a partner, and one on a salary.

The CHAIRMAN. You were a partner in the Pelican Novelty Co.?

Mr. MORAN. The first one.

Mr. RICE. When?

The CHAIRMAN. When the Louisiana Mint Co. came along you got a salary?

Mr. MORAN. I think so.

The CHAIRMAN. You sold out your stock interest?

Mr. MORAN. I didn't sell nothing. I didn't have anything to sell.

The CHAIRMAN. Anyway, you got a salary?

Mr. MORAN. Yes, sir.

The CHAIRMAN. All right.

Mr. RICE. Now, sir, Mr. Brainard died when? About when?

Mr. MORAN. 1937; late '37.

Mr. RICE. Did you continue on in the Louisiana Mint Co.?

Mr. MORAN. That is the second company?

Mr. RICE. The last one.

Mr. MORAN. Right, sir.

Mr. RICE. And you continued on in that company until when?

Mr. MORAN. Until the end.

Mr. RICE. Until the end. When was the end?

Mr. MORAN. Well, right offhand—

Mr. RICE. Wasn't it 1945?

The CHAIRMAN. 1946, I believe.

Mr. RICE. 1946?

Mr. MORAN. I believe around that time.

Mr. RICE. Now, during that time, what was your interest? Were you a partner?

Mr. MORAN. No, sir.

Mr. RICE. Were you an employee?

Mr. MORAN. That is right, sir.

Mr. RICE. What was your job?

Mr. MORAN. Good will.

Mr. RICE. Good will?

Mr. MORAN. Right, sir.

Mr. RICE. Now, in your job as a good-will ambassador, shall we say, what were your duties specifically?

Mr. MORAN. My duties?

Mr. RICE. Yes.

Mr. MORAN. To see locations.

Mr. RICE. What do you mean, locations?

Mr. MORAN. Where we have a mint machine, see that it was kept right.

Mr. RICE. What does this mint machine look like?

Mr. MORAN. Well, you put a coin in and a mint would drop out, the same as you go into a cigar stand and buy a roll of mints.

Mr. RICE. Yes. Now you put the coin in and the mint drops out?

Mr. MORAN. Right, sir.

Mr. RICE. All right. Is there a handle on it?

Mr. MORAN. Yes.

Mr. RICE. What do you do with the handle?

Mr. MORAN. Pull it; it's good exercise. [Laughter.]

Mr. RICE. Now, when you went to a location, as you say, what would be the proposition that you would offer the proprietor?

Mr. MORAN. I never talked to the proprietor.

Mr. RICE. Well, how would you place the machines?

Mr. MORAN. I report if the machine was not looking good, it needed cleaning, to the office, and go to another spot.

Mr. RICE. You would take a look at it?

Mr. MORAN. That is all.

Mr. RICE. And say it was not looking good?

Mr. MORAN. That is right. "Brush it up; it needs more mints."

Mr. RICE. Did you do anything about finding new places to place the machine?

Mr. MORAN. Well, the agents took care of that.

Mr. RICE. Who was the agent?

Mr. MORAN. Different boys.

Mr. RICE. Do you remember any of them?

Mr. MORAN. I mean I would know them if I would see them.

Mr. RICE. Was Frank Costello in that company with you?

Mr. MORAN. Frank Costello, he was in the company. I think he was one of the bosses.

Mr. RICE. How about Phil Kastel?

Mr. MORAN. He was one of the bosses.

Mr. RICE. Who were your other bosses?

Mr. MORAN. Geigerman.

Mr. RICE. Geigerman?

Mr. MORAN. That is all.

Mr. RICE. Who paid you?

Mr. MORAN. I got an envelope from the office.

Mr. RICE. Was the envelope in cash?

Mr. MORAN. Right, sir.

Mr. RICE. I see. Were you on a salary?

Mr. MORAN. Right, sir.

Mr. RICE. Did you also have a percentage?

Mr. MORAN. No, sir.

Mr. RICE. You were paid a straight salary?

Mr. MORAN. Right, sir.

Mr. RICE. How often would you receive that?

Mr. MORAN. Monthly.

Mr. RICE. Once a month?

Mr. MORAN. Yes.

Mr. RICE. All right. That continued until 1946?

Mr. MORAN. Until the end, sir.

Mr. RICE. Until the end?

Mr. MORAN. Yes.

Mr. RICE. Now then, did you ever work for a wire service, or news service?

- Mr. MORAN. Yes, sir; for Mr. Fogarty.
- Mr. RICE. When did you start with Mr. Fogarty?
- Mr. MORAN. Oh, I don't know. It didn't last long.
- Mr. RICE. Was it before Poretto came?
- Mr. MORAN. Poretto? I don't know Poretto. I know Poretto. I know Mr. Poretto, but I don't know Poretto as being in the service.
- Mr. RICE. Yes. When you first started to go into business with Mr. Fogarty—
- Mr. MORAN. I didn't go in business with him. He employed me.
- Mr. RICE. All right, sir. Was that about 1944?
- Mr. MORAN. 1944? No, No; it was later. 1944? Wait a while. I am thinking about 1934, maybe.
- Mr. ZELDEN. If you don't know—
- Mr. MORAN. I don't remember exactly.
- Mr. RICE. What was the name of the company Mr. Fogarty had? Daily Sports News?
- Mr. MORAN. Something like that.
- Mr. RICE. Where was it located, where was the office?
- Mr. MORAN. It is one of the buildings—
- Mr. RICE. Balter Building?
- Mr. MORAN. Balter Building; yes.
- Mr. RICE. What were you engaged to do by Mr. Fogarty?
- Mr. MORAN. Well, for instance, walk into a place and they were booking—
- Mr. RICE. Yes, sir?
- Mr. MORAN. And they were getting information from another service. In other words, I told him for a short amount of money he could get it direct. I would tell Mr. Fogarty. He would send someone in to see him.
- Mr. RICE. Now then, when you walked into a place and they were booking you would tell them that they could get it some place else?
- Mr. MORAN. No, sir.
- Mr. RICE. There was only one wire service then, wasn't there?
- Mr. MORAN. I don't know. There were two or three.
- Mr. RICE. What did Mr. Fogarty hire you to do?
- Mr. MORAN. Exactly what I am telling you.
- Mr. RICE. To walk into a handbook?
- Mr. MORAN. In other words, instead of relaying one, paying one, and telephoning in to another book, they would get it direct for a short amount of money.
- Mr. RICE. Oh, I see. So if they were receiving their news over a telephone you would tell them they could get their news direct on a telegraph wire or ticker. Is that right?
- Mr. MORAN. I don't know if it was a ticker or what.
- Mr. RICE. Or a wire of some kind.
- Mr. MORAN. Right.
- Mr. RICE. And what was the cost of those?
- Mr. MORAN. I don't remember. It was in the neighborhood of \$30, \$35, or \$40.
- Mr. RICE. \$35 a week?
- Mr. MORAN. It depends.
- Mr. RICE. For a direct wire?
- Mr. MORAN. Yes, sir.

Mr. RICE. How would you find where these handbooks were running?

Mr. MORAN (laughing). I know this courtroom is in here. I know there is an office next door. If you are a man-about-town you know everything that is happening.

Mr. RICE. Very easy, wasn't it?

Mr. MORAN. Right, sir.

Mr. RICE. Now then, were you paid a straight salary for that?

Mr. MORAN. Right, sir.

Mr. RICE. Paid a straight weekly salary?

Mr. MORAN. Right, sir.

Mr. RICE. Now then, did there come a time when a competitive operation was started here, that you were having trouble with customers? Poretto was taking them away?

Mr. MORAN. It didn't last long.

Mr. RICE. What happened?

Mr. MORAN. I wasn't connected—in other words, I wasn't connected with Mr. Fogarty too long.

Mr. RICE. Yes.

Mr. MORAN. Right, sir.

Mr. RICE. But you were in 1946 when this happened.

Mr. MORAN. If that is the year.

Mr. ZELDEN. Be sure of what you are saying. The man, in 1946—

Mr. MORAN. I don't know just the time it happened. I don't know the years.

Mr. RICE. It was August 1946, according to the previous testimony.

Mr. MORAN. Whatever the records show there; that is the year.

Mr. RICE. You remember when that happened, when the Poretto thing started?

Mr. MORAN. I don't know of Poretto being in the service.

Mr. RICE. Do you know of another service starting up?

Mr. MORAN. No. No, I don't know. I don't bet on horses, only when I go to the track; I never made a bet in a book in my life.

Mr. RICE. Are you sure about that?

Mr. MORAN. Right, sir; except at the track.

Mr. ZELDEN. Under oath?

Mr. MORAN. Under oath is correct.

Mr. RICE. All right, sir. You were interested in getting customers for the Daily Sports News?

Mr. MORAN. I've got to do something, Mr. Rice, to earn a salary. People don't pay—

Mr. RICE. Yes. What we want to know is, what happened when this competitive service came here.

Mr. MORAN. I only knew one: Mr. Fogarty.

Mr. RICE. Yes. Wasn't there another one—Trans-America?

Mr. MORAN. I don't know, sir. It only lasted a short while; whatever the record shows, when I was on the payroll.

Mr. RICE. What do you mean "it" only lasted?—

Mr. MORAN. I was.

Mr. RICE. You only lasted a short while?

Mr. MORAN. I got out of it.

Mr. RICE. You got out of it.

Mr. MORAN. Right, sir.

Mr. RICE. What was the reason for getting out of it?

Mr. MORAN. Food for Kings. I opened a place.

Mr. RICE. Is it true that you still receive money from Fogarty—the wire service?

Mr. MORAN. Do I still receive it?

Mr. RICE. Yes.

Mr. MORAN. Oh, no, Mr. Rice.

Mr. RICE. How many years ago did you stop receiving it?

Mr. MORAN. How many years?

Mr. RICE. Yes.

Mr. MORAN. It didn't last that long. Mr. Rice, you are telling me now if I still receive money?

The CHAIRMAN. He was asking you if you do.

Mr. MORAN. You know what I mean. I am trying to be right; I am trying to give it to you right, but don't cross me up and tell me I still receive it. I haven't seen Mr. Fogarty for years until yesterday.

Mr. RICE. What were the circumstances of your leaving Mr. Fogarty and when was it?

Mr. MORAN. Mr. Rice, it lasted until things got a little tough; you go and get a job; you're going to do better for yourself; you leave that job, and you get connected somewhere else; and the next connection was the Food for Kings.

The CHAIRMAN. Well, as I understand it, you were with Mr. Fogarty 1944, 1945, 1946.

Mr. MORAN. Whatever it was, Mr. Senator; yes, sir. I don't know; whatever it was.

The CHAIRMAN. About 3 years?

Mr. MORAN. Yes.

The CHAIRMAN. Were you there with him at the time his place was raided and the wires were taken out?

Mr. MORAN. No, sir.

The CHAIRMAN. I mean, were you working for him about that time? Do you remember that?

Mr. MORAN. I don't remember that; no, sir. I don't think so.

The CHAIRMAN. All right.

Mr. RICE. Do you own a station wagon?

Mr. MORAN. Right, sir.

Mr. RICE. Does that have a siren?

Mr. MORAN. A siren?

Mr. RICE. A siren.

Mr. MORAN. Now, wait a while. I don't—

Mr. ZELDEN. Do you know what a siren is?

Mr. MORAN. A siren—I have, sir.

Mr. RICE. You have a station wagon with a siren?

Mr. MORAN. Right, sir.

Mr. RICE. Where did you get the siren on the station wagon?

Mr. MORAN. It was put in by a mechanic for a signal when my guide is down at my hunting camp at the edge of a farm called Harlem Plantation, and my hunting camp is 2 miles to the back. I drive up to the back levee; I put the siren on with my motor running, and 20 minutes later here comes the guide with the boat to pick me up. That's the signal.

Mr. RICE. Where did you get that siren?

Mr. MORAN. By a mechanic.

Mr. RICE. What mechanic?

Mr. MORAN. Well, right offhand I don't know.

Mr. RICE. Where did you find him?

Mr. MORAN. Someone brought him to me.

Mr. RICE. Someone brought him to you?

Mr. MORAN. Yes, sir.

Mr. RICE. Wasn't he a mechanic on the police department?

Mr. MORAN. I don't remember.

Mr. RICE. All right.

Mr. MORAN. I don't think so; no.

Mr. RICE. Is it possible that he was?

Mr. MORAN. Everything is possible.

Mr. RICE. Yes.

Mr. MORAN. Everything is possible.

Mr. RICE. Very possible. Let's find out about the siren now.

Didn't the siren come from the police department?

Mr. MORAN. No, sir.

Mr. RICE. Who did you deal with?

Mr. MORAN. With this mechanic.

Mr. RICE. What is his name?

Mr. MORAN. I don't know; it's happened 3 years ago.

Mr. RICE. Who brought him to you?

Mr. MORAN. I don't remember.

Mr. RICE. Didn't it come off of a detective's car out of the police garage?

Mr. MORAN. No, sir.

Mr. RICE. Are you sure about that?

Mr. MORAN. I don't know. I paid this mechanic \$35.

Mr. RICE. Thirty-five dollars?

Mr. MORAN. Right here, sir.

Mr. RICE. Could you find him?

Mr. MORAN. I wouldn't know him if I would see him here.

Mr. RICE. And you don't know where he is located now?

Mr. MORAN. No.

Mr. RICE. Are you sure he was not employed as a policeman—police mechanic?

Mr. MORAN. No, no. No connection at all.

Mr. RICE. Now sir, you spoke about this Harlem Plantation. Is that your place?

Mr. MORAN. No, I have it leased.

Mr. RICE. You have it leased. What is it—a hunting and fishing place?

Mr. MORAN. Right, sir; hunting and fishing.

Mr. RICE. Did Frank Costello ever come down there?

Mr. MORAN. No, sir.

Mr. RICE. Did Kastel ever come down there?

Mr. MORAN. No, sir.

Mr. RICE. Charlie Fischetti?

Mr. MORAN. No, sir.

Mr. RICE. Do you know Charlie Fischetti?

Mr. MORAN. Fischetti?

Mr. RICE. Yes.



- Mr. MORAN. Right off-hand I don't think so.
- Mr. RICE. From Chicago.
- Mr. MORAN. No, sir. I have been to Chicago twice in my life.
- Mr. RICE. How about Rocco Fischetti?
- Mr. MORAN. No, sir; I don't. Now, I have heard of these people. I know of these people.
- Mr. RICE. Yes. Did Carlos Marcello ever come down there?
- Mr. MORAN. Yes, sir.
- Mr. RICE. Many times?
- Mr. MORAN. Well, about twice a year; maybe six or seven times in the last 5 years.
- Mr. RICE. Marcello's brothers come down there?
- Mr. MORAN. Two of his brothers; right.
- Mr. RICE. Which two.
- Mr. MORAN. I don't know right off-hand.
- Mr. RICE. Anthony?
- Mr. MORAN. I don't know. I didn't know he had five or six brothers. I met them yesterday.
- Mr. RICE. When you were working for Fogarty were two of the Marcellos working over there at the same time?
- Mr. MORAN. I didn't see nobody but Mr. Fogarty.
- Mr. RICE. Fogarty is the only one you saw?
- Mr. MORAN. Yes, sir.
- Mr. RICE. How about Mr. Cigali? Did he ever come down to—
- Mr. MORAN. My place?
- Mr. RICE. Yes.
- Mr. MORAN. Yes; I think he was down there one time for dinner.
- Mr. RICE. How about Litolff?
- Mr. MORAN. Litolff.
- Mr. ZELDEN. If you know who he is talking about, answer it.
- Mr. MORAN. Right offhand, I don't.
- Mr. RICE. Osmond Litolff.
- Mr. MORAN. I think I know him.
- Mr. RICE. Yes. Did he ever come down to your place?
- Mr. MORAN. Yes; he was a major, or something, in the Navy during the last war.
- Mr. RICE. When I am speaking of "your place" I am talking about the "plantation."
- Mr. MORAN. No, no. You are talking about my place; I am talking about the restaurant. Are you talking about my hunting camp?
- Mr. RICE. Yes.
- Mr. MORAN. No, no. These people have never been there.
- Mr. RICE. Marcello has never been there?
- Mr. MORAN. No, no. I misunderstood you. I thought you were talking about the restaurant. Now, as far as my hunting camp, I can tell you everybody that comes there.
- Mr. RICE. All right, sir; tell us.
- Mr. MORAN. Right offhand, I know everybody. Robert Newmann, Dr. Tamborelli. Mayor Morrison often, Mr. Weiss.
- Mr. RICE. Who is Mr. Weiss?
- Mr. MORAN. Seymour Weiss, owner of the Roosevelt Hotel.
- Mr. RICE. Yes.
- The CHAIRMAN. Where is this hunting camp?

Mr. MORAN. At Harlem Plantation, on the back on Hostile Canal.

The CHAIRMAN. How far out of town is it?

Mr. MORAN. About 40 miles.

The CHAIRMAN. Is it a big plantation—many acres?

Mr. MORAN. No; one room, with a little bedroom.

The CHAIRMAN. You have a lot of boats there?

Mr. MORAN. Pirogues; yes, sir; 25 or 30 of them.

The CHAIRMAN. What do you hunt down there?

Mr. MORAN. Ducks and geese, rabbits.

The CHAIRMAN. All right. Anything else?

Mr. MORAN. It's very nice.

Mr. RICE. Do you know anyone from over in Tampa, Fla.?

Mr. MORAN. Tampa. I get a lot of business out of every State.

Mr. RICE. Do you know "Red" Italiano?

Mr. MORAN. "Red" Italiano?

Mr. RICE. Yes.

Mr. MORAN. "Red" Italiano.

Mr. RICE. The man from Tampa that had the Cadillac car they had the picture in the paper about.

Mr. MORAN. If it is the man I know, he's an Italian—

Mr. RICE. That's right.

Mr. MORAN. And he comes in my place, maybe twice or three times a year.

Mr. RICE. He was in there fairly recently, wasn't he?

Mr. MORAN. In my place?

Mr. RICE. Yes.

Mr. MORAN. I believe this winter; yes.

Mr. RICE. This winter?

Mr. MORAN. Right, sir.

Mr. RICE. While he was being sought by this committee over in Tampa, I believe?

Mr. MORAN. Oh, I don't know. Mr. Italiano, if that is the man; he was in my place.

Mr. RICE. Have you seen him lately?

Mr. MORAN. This winter; way before the holidays.

Mr. RICE. Just before Christmas?

Mr. MORAN. Before the holidays.

Mr. RICE. All right, sir.

The CHAIRMAN. Did you have any interest in Peter Herman's night club? That wasn't your business?

Mr. MORAN. No dealings at all.

The CHAIRMAN. You had no dealings with him?

Mr. MORAN. No anythings.

The CHAIRMAN. Anything else, Mr. Rice?

Mr. RICE. No.

Mr. MORAN. Senator, sometime you come down and make a hunt with me. You will see game like you never saw in your life.

The CHAIRMAN. I have an invitation to a hotel in Chicago and one at Key West.

Mr. MORAN. Mine is in the rough, but it will be all right.

The CHAIRMAN. Now, your's is a good hunting place.

Mr. MORAN. Yes; fine.

The CHAIRMAN. Hunt down there and eat at Food for Kings.

Mr. MORAN. No, no; I'll be your private cook when you hunt with me.

The CHAIRMAN. All right.  
Thank you very much, Mr. Moran.  
(Witness excused.)

**TESTIMONY OF SHERIFF GILBERT OZENNE, NEW IBERIA, LA.,  
ACCOMPANIED BY G. W. GILL AND WILLIAM C. ORCHARD,  
ATTORNEYS, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Ozenne, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. OZENNE. I do.

Mr. GILL. If Your Honor please, just in excess of caution—this gentleman is going to be very cooperative—we beg to invoke the same defense to proceeding as we have for the other witnesses we have represented, including the last witness, sir.

The CHAIRMAN. All right. Let the record show out of an excess of caution, counsel for the sheriff make the same objections as they have for their other clients they have represented.

Mr. GILL. Lack of quorum, and all the other grounds.

The CHAIRMAN. Mr. G. W. Gill and Mr. William C. Orchard represent Sheriff Ozenne. They say he is going to be more cooperative than some of the other witnesses.

Mr. GILL. Yes, sir; I have known this gentleman for about 20 years, if Your Honor please. We come from the same section of the country up there.

The CHAIRMAN. If we can keep you lawyers around for the afternoon maybe we can get some real cooperation.

Mr. RICE. Mr. Ozenne, you are the sheriff of what parish?

Mr. OZENNE. Iberia Parish.

Mr. RICE. You are appearing here in response to a telephone call made to you last night by the committee?

Mr. OZENNE. Yes, sir.

Mr. RICE. Now, sir; how long have you been sheriff there?

Mr. OZENNE. Eleven years.

Mr. RICE. Eleven years. And you have lived there all your life?

Mr. OZENNE. Yes, sir.

Mr. RICE. Tell us what the situation is in New Iberia with respect to slot machines and gambling.

Mr. GILL. Gentlemen, I just wonder—the gentleman will answer anything you ask him. Don't you think it might be better just to put the questions? You know better what you want to know, I think.

The CHAIRMAN. Counsel thought he would be getting at it quicker. He read what Mr. Moity said yesterday; if he wants specific questions asked, we will do it that way.

Mr. GILL. Yes, sir.

Mr. RICE. Do slot machines run in New Iberia?

Mr. OZENNE. Yes.

Mr. RICE. Do they pay off in cash?

Mr. OZENNE. Yes, sir.

Mr. RICE. How long has that been going on?

Mr. OZENNE. To my recollection, about 30 years..

Mr. RICE. How many slot machines, would you say, are running in the town?

Mr. OZENNE. I wouldn't know.

Mr. RICE. In your county.

Mr. OZENNE. I wouldn't know, sir.

Mr. RICE. More than a thousand?

Mr. OZENNE. I wouldn't think so.

Mr. RICE. More than a hundred.

The CHAIRMAN. Can we say there are a lot of them?

Mr. OZENNE. There are a few of them; not a lot.

The CHAIRMAN. All right.

Mr. RICE. Are these in public places?

Mr. OZENNE. Yes, sir.

Mr. RICE. Is that against the law?

(No response.)

The CHAIRMAN. Well, we have the law in the record. Is it against the law, Sheriff? Do you know?

Mr. GILL. Well—

Mr. RICE. Let the witness answer.

Mr. GILL. I would like to make an objection there because the State collects a hundred dollars' tax; it is sort of a hiatus, Mr. Rice. The State collects a hundred dollars' tax for it.

The CHAIRMAN. Let the sheriff state his position about the matter. What is your position about whether it is legal or illegal?

Mr. OZENNE. Well, I understand it is against the law, but they have them all over the State.

The CHAIRMAN. That is a fair answer.

Mr. RICE. Do they have them in the city of New Orleans?

Mr. OZENNE. I wouldn't know, sir.

Mr. RICE. But they have them all over the State?

Mr. OZENNE. That I know of; yes, sir.

Mr. RICE. Now, do they have them in Jefferson Parish?

The CHAIRMAN. Let's confine the sheriff's testimony to his parish.

Mr. RICE. All right, sir. How about horse books, handbooks? Do they have those in New Iberia?

Mr. OZENNE. Not that I know of.

Mr. RICE. No handbooks there?

Mr. OZENNE. No book that I know of.

Mr. RICE. Any other form of gambling there, gambling casinos?

Mr. OZENNE. I understand they have race-horse machines.

Mr. ORCHARD. Pinballs.

Mr. RICE. You mean the one-ball?

Mr. OZENNE. Yes.

Mr. RICE. How do those work? Do they pay off in cash?

Mr. OZENNE. No, sir.

Mr. RICE. How do they pay off?

Mr. OZENNE. I wouldn't know, sir. It is just a pinball machine. They don't pay nothing.

Mr. RICE. You don't know how they pay off?

Mr. OZENNE. No, sir.

Mr. RICE. Is there prostitution in New Iberia?

Mr. OZENNE. They have.

Mr. RICE. Do they have restricted zones?

Mr. OZENNE. They have.

Mr. RICE. What are the arrangements there for that?

Mr. OZENNE. Well, when I was elected sheriff there was, just like they are now, in certain localities of the town, and they are still at the same zone.

Mr. RICE. In certain localities of the town it is all right to practice prostitution?

Mr. OZENNE. I don't know if it is all right. They have been there for years.

Mr. RICE. They have been there for years?

Mr. OZENNE. Yes, sir.

Mr. RICE. You have done nothing to change that situation, have you?

Mr. OZENNE. No, sir.

Mr. RICE. Is that against the law?

(No response.)

The CHAIRMAN. Well, if you know whether it is or not.

Mr. OZENNE. No, sir; I wouldn't know.

Mr. RICE. You don't know whether that is against the law or not. Is that your answer?

(No response.)

Mr. RICE. I didn't hear your answer.

Mr. OZENNE. Yes, sir.

The CHAIRMAN. Let's get on. That's what he said.

Mr. ORCHARD. He didn't know.

Mr. RICE. How about narcotics? Are narcotics sold down there, or marijuana?

Mr. OZENNE. Not that I know of.

Mr. RICE. Has anyone ever been arrested there for selling narcotics?

Mr. OZENNE. Not that I know of; not in my presence.

Mr. RICE. Is it against the law to sell narcotics?

Mr. OZENNE. It is, sir.

Mr. RICE. Do you know a man by the name of Sliman?

Mr. OZENNE. There are a few Slimans. Which one?

Mr. RICE. How about Camille? Do you know him?

Mr. OZENNE. I know him.

Mr. RICE. Is he related to you?

Mr. OZENNE. He is my son-in-law.

Mr. RICE. And has he ever been arrested for a narcotic violation?

Mr. OZENNE. No, sir.

Mr. RICE. Has any of your relatives ever been arrested for that?

Mr. OZENNE. No, sir.

Mr. RICE. Are you sure about that?

Mr. OZENNE. Not that I know of.

Mr. RICE. Not that you know of.

Now, do you have a brother-in-law who is in the slot-machine business?

Mr. OZENNE. No, sir. A son-in-law?

Mr. RICE. Is that the same son-in-law? What's his name?

Mr. OZENNE. Camille Sliman?

Mr. RICE. Camille Sliman. He's in the slot-machine business?

Mr. OZENNE. Him and his brothers; yes, sir.

Mr. RICE. What is his brother's name?

Mr. OZENNE. Teddy Sliman.

Mr. RICE. There is another brother besides that?

Mr. OZENNE. Fred Sliman.

Mr. RICE. And they are all in the slot-machine business?

Mr. OZENNE. I don't know how they are. I see it is the Sliman Bros. Amusement Co. on their little truck.

Mr. RICE. I see. Who owns the Moulin Rouge down there?

Mr. OZENNE. The Sliman brothers.

Mr. RICE. What is the Moulin Rouge?

Mr. OZENNE. It's just a night club.

Mr. RICE. Don't they gamble there? Don't they have dice games there?

Mr. OZENNE. Not that I know of.

Mr. RICE. Have you ever been there?

Mr. OZENNE. A couple of times.

Mr. RICE. Isn't it true they have gambling games there?

Mr. OZENNE. Not that I know of.

Mr. RICE. Now, sir, yesterday there was a man by the name of Moity here. Do you know him?

Mr. OZENNE. Yes, sir.

Mr. RICE. And Mr. Moity had something to say about going into the slot-machine business down there. Do you know that he was in the slot-machine business?

Mr. OZENNE. I used to see him with music boxes and machines, sometimes, on his truck, but I didn't know if he was in the business or not.

Mr. RICE. Now, if I might sum up his testimony—and counsel will correct me if I am wrong—

Mr. ORCHARD. That's right.

Mr. RICE. It was to the effect that he was approached by law-enforcement officers and told to pay off or get out of the business.

Mr. OZENNE. I wouldn't know nothing—

Mr. RICE. Is there anything you want to say about that?

Mr. OZENNE. I wouldn't know nothing about that.

Mr. RICE. You don't know anything about that at all?

Mr. OZENNE. No, sir.

Mr. RICE. You had no conversations with him yourself?

Mr. OZENNE. No, sir. I haven't seen that boy in a year.

Mr. RICE. You haven't seen him in a year?

Mr. OZENNE. No, sir.

Mr. RICE. Have you ever had conversations with him?

Mr. OZENNE. A long time ago.

Mr. RICE. What business was he in then?

Mr. OZENNE. Well, I don't know, sir.

Mr. RICE. But in any event you had no conversations with him along those lines?

Mr. OZENNE. No, sir.

Mr. RICE. Is there anything you want to add to that?

Mr. OZENNE. Oh, I had occasion, in my office, to seize his automobile and truck a couple of times, and he was pretty peeved about that.

The CHAIRMAN. Well, now, he said that he couldn't get into the business down there, or when he got into the business that demands were made upon him for the payment of certain amounts per machine per month. I have forgotten what the amount was.

Mr. OZENNE. I wouldn't know nothing about that, sir.

The CHAIRMAN. How did you decide which of these people you would let operate coin machines?

Mr. OZENNE. It's no exception; the parish has been open for 30 years.

The CHAIRMAN. You let just anybody who wants to operate?

Mr. OZENNE. Local people; yes, sir.

The CHAIRMAN. Local people?

Mr. OZENNE. It's all local people that's operating.

The CHAIRMAN. These machines are made in Chicago; aren't they?

Mr. OZENNE. I wouldn't know, sir, where they come from.

The CHAIRMAN. Suppose there is some dispute about who is going to be in certain locations, do you settle those disputes?

Mr. OZENNE. No, sir; none whatever.

The CHAIRMAN. And your testimony is that you just let them operate and you don't take any—they don't make any contribution to a fund?

Mr. OZENNE. No, sir; none whatever.

The CHAIRMAN. How about the association? Do they have an association down there?

Mr. OZENNE. Not that I know of, sir.

The CHAIRMAN. This prostitution; it's been rumored that it is on an organized basis, with prostitutes coming and going from one place to another.

Mr. OZENNE. That I wouldn't know, sir.

The CHAIRMAN. There is a charge that some of the ministers, I believe, have made about it.

Mr. OZENNE. I wouldn't know, sir. The city takes mostly care of that.

The CHAIRMAN. You don't go into the matter very deep?

Mr. OZENNE. No, sir.

The CHAIRMAN. Is this a pretty large section? Is it just in one town?

Mr. OZENNE. Just a small section, maybe five or six.

Mr. RICE. Do you know Amar Rodrigue?

Mr. OZENNE. Yes, sir; I know him.

Mr. RICE. Who is he?

Mr. OZENNE. He is a local boy from there. I understand he is a gambler. He gambles for a living, and fixes slot machines. I don't know him too well, what he's doing.

Mr. RICE. Doesn't he have a deputy sheriff's commission?

Mr. OZENNE. No, sir.

Mr. RICE. Are you sure about that?

Mr. OZENNE. I am positive. He had one at one time.

Mr. RICE. When you were sheriff?

Mr. OZENNE. During the time of the war, during the time for black-outs, and one thing and another, but it's been canceled a long time.

Mr. RICE. That was when you were sheriff?

Mr. OZENNE. Yes, sir.

Mr. RICE. He received no salary, then, I take it, as deputy?

Mr. OZENNE. No, sir.

The CHAIRMAN. Sheriff, doesn't Reverend Travis and Father Boquet, and other ministers and people—haven't they formed an association and been to see you several times about trying to get you to do something about that?

Mr. OZENNE. No, sir; they never have been to see me at all.

The CHAIRMAN. They do have an association; don't they?

Mr. OZENNE. Not that I know of, sir.

The CHAIRMAN. They had a grand jury investigation—didn't you have a grand jury investigation? Didn't you have a petition filed by them and a lot of other people for a grand jury investigation?

Mr. OZENNE. I don't recollect. It was 2 years ago; yes, sir.

The CHAIRMAN. Who was the foreman of the grand jury?

Mr. OZENNE. I don't recollect. It was 2 years ago.

The CHAIRMAN. And the grand jury found nothing—no true bill?

Mr. OZENNE. No true bill. They threw it out.

The CHAIRMAN. Just threw it out.

Mr. OZENNE. No true bill.

The CHAIRMAN. And during the time of the grand jury this was operating just the same?

Mr. OZENNE. No, sir.

The CHAIRMAN. They closed up?

Mr. OZENNE. I understand the people, after they were charged, they removed all the machines.

The CHAIRMAN. And after the grand jury was out they put them right back?

Mr. OZENNE. I don't know about that.

The CHAIRMAN. How many of these night clubs like the Moulin Rouge do you have in New Iberia?

Mr. OZENNE. Three or four.

The CHAIRMAN. Three or four.

Mr. OZENNE. Yes.

The CHAIRMAN. Pretty big places?

Mr. OZENNE. No, sir; not so big.

The CHAIRMAN. How far is that from New Orleans?

Mr. OZENNE. About 150 miles.

The CHAIRMAN. Sort of southwest?

Mr. OZENNE. West.

Mr. GILL. Almost due west.

The CHAIRMAN. Almost due west?

Mr. OZENNE. Yes, sir.

The CHAIRMAN. Do these slot-machine operators help you out in your campaign?

Mr. OZENNE. No, sir.

The CHAIRMAN. They don't contribute anything to it?

Mr. OZENNE. No, sir.

The CHAIRMAN. They are a pretty potent political force, aren't they?

Mr. OZENNE. Not that I know of. Not in my parish.

The CHAIRMAN. How about the night-club operators?

Mr. OZENNE. They don't either.

The CHAIRMAN. They don't do anything political at all?

Mr. OZENNE. No, sir. They are barely getting by to make a living right now.

The CHAIRMAN. Do you recommend people for jobs in those places?

Mr. OZENNE. No, sir.

The CHAIRMAN. Now, in fairness to you, Sheriff, I don't know whether you have read all the testimony—you ask him about it, Mr. Rice.



Mr. RICE. A previous witness made the statement that the "bag" man, or "pick-up" man for you was this Amar Rodrigue; that he made collections from the gambling operations and turned the money over to you. Do you have anything you want to say?

Mr. OZENNE. That's not a fact, sir. I don't know anything about that.

Mr. RICE. You don't know anything about that?

Mr. OZENNE. No, sir.

Mr. RICE. Do you want to make it a little stronger and say you know it is not true?

Mr. OZENNE. It is not true. Positively.

Mr. RICE. Now, then, sir, in addition to your compensation as sheriff, do you receive money from any other sources?

Mr. OZENNE. I have a little farm that works about 20 acres of land, since last year. I don't know how much it will make. The last year was the first year.

Mr. RICE. Other than your farm and your duties as sheriff, do you have any other source of incomes?

Mr. OZENNE. No, sir.

Mr. RICE. You don't receive any money from businesses, or persons, other persons than on the farm?

Mr. OZENNE. No, sir.

Mr. RICE. I think that is all.

The CHAIRMAN. All right, Sheriff.

Who came up here with you?

Mr. OZENNE. Mr. LaBauve.

The CHAIRMAN. All right, we will hear Mr. LaBauve now.

(Witness excused.)

**TESTIMONY OF HOWARD LABAUVE, CITY MARSHAL, NEW IBERIA, LA., ACCOMPANIED BY G. WRAY GILL AND WILLIAM C. ORCHARD, ATTORNEYS, NEW ORLEANS, LA.**

The CHAIRMAN. Mr. LaBauve, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. LABAUVE. I do.

Mr. RICE. Your name is——

Mr. LABAUVE. Howard LaBauve.

Mr. RICE. You are the town marshal?

Mr. LABAUVE. City marshal; yes.

Mr. RICE. City marshal, at New Iberia?

Mr. LABAUVE. Yes, sir.

Mr. GILL. If Your Honor please, again, out of an abundance of caution, we make the same reservations.

The CHAIRMAN. Yes; we note your objection.

Mr. RICE. Were you present during the testimony of Sheriff Ozenne?

Mr. LABAUVE. No, sir.

Mr. RICE. How long have you been town marshal?

Mr. LABAUVE. Since 1942.

Mr. RICE. Since 1942. Have you lived in New Iberia most of your life?

Mr. LABAUVE. All my life, sir.

Mr. RICE. Now, then, do the slot machines run in New Iberia?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Wide open?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Pay off in cash?

Mr. LABAUVE. No, sir.

Mr. RICE. I beg your pardon?

Mr. LABAUVE. I don't know of any pay-off.

Mr. RICE. The slot machines—the one-armed bandits.

Mr. LABAUVE. Do they pay off?

Mr. RICE. Yes.

Mr. ORCHARD. The machines themselves.

The CHAIRMAN. We are not talking about whether they pay you off; we are talking about whether they pay off the fellow that puts money in them.

Mr. RICE. They pay the player off in cash?

Mr. LABAUVE. Yes, sir.

Mr. RICE. How about the one-balls, one-ball bandits?

Mr. GILL. Pinballs.

Mr. LABAUVE. I haven't seen any, sir.

Mr. RICE. You haven't seen any?

Mr. LABAUVE. No.

Mr. RICE. You don't have any in your town so far as you know?

Mr. LABAUVE. Not that I know of.

Mr. RICE. All right, sir. Any handbooks, or horse books—handbooks down there? Can you gamble on the horses?

Mr. GILL. Tell him, if you know.

Mr. LABAUVE. Yes, sir.

Mr. RICE. Where do you do that?

Mr. LABAUVE. In town.

Mr. RICE. In town?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Suppose a customer wants to make a bet on a horse, where does he go in town?

Mr. LABAUVE. I wouldn't know, sir.

Mr. RICE. Does he go in a store or a hotel somewhere?

Mr. LABAUVE. I still wouldn't know—some bookie place.

Mr. RICE. Do they advertise openly?

Mr. LABAUVE. They are open.

Mr. RICE. And open to the public?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Walk in off the street?

Mr. LABAUVE. Yes, sir.

Mr. RICE. They get the race results as the races are run?

Mr. LABAUVE. I would imagine. I've never been in one.

Mr. RICE. You've never been in one?

Mr. LABAUVE. No, sir.

Mr. RICE. Now, sir, is there a restricted zone for prostitution there?

Mr. LABAUVE. Yes, sir.

Mr. RICE. And it is perfectly permissible to practice prostitution in your town?

Mr. LABAUVE. Yes, sir.

Mr. GILL. Explain how that is.

Mr. RICE. How long has that been going on?

Mr. LABAUVE. As long as I have known myself, sir.

Mr. RICE. As long as you have been there?

Mr. LABAUVE. Yes, sir. I've been there all my life.

Mr. RICE. You have always been there?

Mr. LABAUVE. Yes, sir. Prostitution goes on this way. It is wide open but the board of health and the police, the city and the parish, they allow them to run but the doctors, they are examined by the board of health weekly.

Mr. RICE. By the board of health?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Are they licensed?

Mr. LABAUVE. I wouldn't know, sir.

Mr. RICE. Now, what is the position of the ministers and preachers and priests about that? Have they come to you and protested as to that?

Mr. LABAUVE. No, sir; no one has ever protested and it's been there as long as I know myself; probably before.

Mr. RICE. How about narcotics? Do they sell reefers, or marijuana, down there?

Mr. LABAUVE. If any is sold we don't know of any of it, sir.

Mr. RICE. Did you ever hear of a man by the name of Fred Sliman?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Do you know what he went to jail for?

Mr. LABAUVE. Hearsay.

Mr. RICE. Hearsay; yes.

Mr. LABAUVE. Narcotics.

Mr. RICE. He went up to Lexington, didn't he?

Mr. LABAUVE. As a user.

Mr. RICE. As a user?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Where did he obtain his narcotics?

Mr. LABAUVE. I wouldn't know, sir. I think the crime was committed in New Orleans.

Mr. RICE. The crime was committed in New Orleans. In the city?

Mr. LABAUVE. Yes, sir.

Mr. RICE. And does he stay in New Iberia most of the time?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Is he a relation of Mr. Ozenne, who was here previously?

Mr. LABAUVE. No, sir.

Mr. RICE. Is he a brother of his son-in-law?

Mr. LABAUVE. Yes, sir.

Mr. RICE. Now, then do you know a man by the name of Moity?

Mr. LABAUVE. Yes, sir.

Mr. RICE. What business was he in?

Mr. LABAUVE. I was told that he was in the slot-machine business. That's hearsay. I have no definite proof of that.

Mr. RICE. Did you ever have any conversation with him?

Mr. LABAUVE. No, sir.

Mr. RICE. Did you ever call him on the telephone?

Mr. LABAUVE. No, sir.

Mr. RICE. I will again sum up, Counsel.

Mr. GILL. Certainly, sir.

Mr. RICE. Yesterday, Mr. Moity appeared here and testified in effect that he started into the slot-machine business down there in your town and almost immediately he was approached and told to pay off, mean-

ing to law-enforcement officers, or get out. Do you have anything you wish to say in regard to that?

MR. LABAUVE. Nothing, sir.

MR. GILL. Is it true?

MR. LABAUVE. It is not true. I have never contacted the man.

MR. RICE. You have never contacted him?

MR. LABAUVE. No, sir.

MR. RICE. And as far as you are concerned you have had no connections, legal or illegal, business connections or any other?

MR. LABAUVE. No, sir. The man has never been in my office, sir.

The CHAIRMAN. I think it should be stated in fairness to Mr. Moity, who appeared to be a very sincere young man trying to do a job, he came all the way up to Washington to see us, of this committee; that he had tried very hard to get something done about the slot-machine business with you and the sheriff, and did not have any success, so in order to find out how it was operated and have direct proof as to its operation he got into it himself, and then that these demands for cash came along, or else that he get out of the business.

MR. LABAUVE. Not to my knowledge, sir.

MR. RICE. Do you know Mr. Lovelady?

MR. LABAUVE. No, sir.

MR. RICE. Have you ever heard of him?

MR. LABAUVE. I heard of his name this morning, sir, out in the hall outside.

MR. RICE. How about Amar Rodrigue? Do you know him?

MR. LABAUVE. Yes, sir.

MR. RICE. Who is he?

MR. LABAUVE. He lives in New Iberia, sir.

MR. RICE. What does he do?

MR. LABAUVE. Gambler.

MR. RICE. What kind of gambler?

MR. LABAUVE. Cards, poker.

MR. RICE. Does he operate a game? Card game?

MR. LABAUVE. No, sir; not that I know of.

MR. RICE. Does he back the game? Lottery, slots? Or what does he do?

MR. LABAUVE. No, sir; he gambles; poker; professional gambler.

MR. RICE. Professional gambler?

MR. LABAUVE. Yes, sir.

MR. RICE. Where does he play?

MR. LABAUVE. Almost anywhere in town.

MR. RICE. Is that all that he does? Just gambles.

MR. LABAUVE. He repairs machines, too.

MR. RICE. Repairs—

MR. LABAUVE. Mechanic.

MR. RICE. What kind of machines?

MR. LABAUVE. Slots.

MR. RICE. One-armed bandits?

MR. LABAUVE. Yes, sir.

MR. RICE. All right, sir. Wasn't he a deputy marshal?

MR. LABAUVE. Yes, sir.

MR. RICE. With you?

MR. LABAUVE. Yes, sir.

MR. RICE. Did he have credentials or cards?

Mr. LABAUVE. Yes, sir; he has.

Mr. RICE. Does he still have that?

Mr. LABAUVE. Yes, sir.

Mr. RICE. How do you account for that, sir—that you deputize a man who is a gambler?

Mr. LABAUVE. I have never known that ever at home that poker was considered illegal. It stays open all the time. And they just take it for granted that it is not.

Mr. RICE. How about the slots?

Mr. LABAUVE. He doesn't operate slots.

Mr. RICE. Did you say he repairs them?

Mr. LABAUVE. Yes, sir. Mechanic.

Mr. RICE. He is doing something in furtherance of the slot-machine operations, then, isn't he? He's helping it?

Mr. LABAUVE. That is hearsay. I don't know that to be correct. I never have seen him work on the slots.

Mr. RICE. When you heard that, did you make any investigation to see whether that was true? Did you ask him about it?

Mr. LABAUVE. No, sir.

Mr. RICE. You still keep him on as a deputy?

Mr. LABAUVE. Yes, sir.

Mr. RICE. It has been alleged that this man, Rodrigue, was the "bag" man, or collector for you; that he went around to the various operators of gaming devices and took money from them for delivery to you. What do you have to say about that?

Mr. LABAUVE. No, sir; I have no knowledge of that at all. If he has collected, I haven't received any.

Mr. RICE. Have you ever received any money from him?

Mr. LABAUVE. No, sir.

Mr. RICE. Did he contribute to your campaign?

Mr. LABAUVE. No, sir.

Mr. RICE. Did any gamblers contribute to your campaign?

Mr. LABAUVE. No, sir.

Mr. RICE. I think that is all.

The CHAIRMAN. Your position is that you are giving the people what they want. Is that right?

Mr. LABAUVE. That is right, sir.

The CHAIRMAN. How about these ministers and these people who have filed a petition to get a grand-jury investigation?

Mr. LABAUVE. That was handled through the grand jury, sir, in a legal form.

The CHAIRMAN. Well, they have quite an opposition to this thing down there, haven't they, now?

Mr. LABAUVE. I wouldn't say so.

The CHAIRMAN. You don't think it is very substantial?

Mr. LABAUVE. No, sir.

The CHAIRMAN. The ministers, and some people like that—

Mr. GILL. Just tell what you know.

Mr. LABAUVE. I would say two ministers at the most, at that time.

The CHAIRMAN. But they have a lot of other citizens who signed and with them, haven't they?

Mr. LABAUVE. Very few, Senator.

The CHAIRMAN. Very few.

Mr. LABAUVE. Yes, sir.

The CHAIRMAN. Anyway, they got a grand-jury investigation and a no-true bill.

Mr. LABAUVE. That is right.

The CHAIRMAN. Everything just ran right along during the investigations like it did any other time?

Mr. LABAUVE. Yes, sir.

The CHAIRMAN. All right, Marshal.

Mr. ORCHARD. I would like the record to show, Senator, that the grand jury is a parochial body and this man is a town official.

The CHAIRMAN. Yes; we know that.

Mr. ORCHARD. The parish body was operating with the district attorney's office.

The CHAIRMAN. His town is the parish seat, isn't it?

Mr. GILL. Yes, sir; it is.

The CHAIRMAN. All right. Thank you.

(Witness excused.)

The CHAIRMAN. The committee will stand in recess until 15 minutes of 2.

(Whereupon, at 12:35 p. m., the committee recessed until 1:45.)

#### AFTERNOON SESSION

(The hearing of the committee reconvened at 2 p. m.)

#### TESTIMONY OF REV. DOUGLAS CARROLL AND REV. THOMAS CARRUTH, BILOXI, MISS.

The CHAIRMAN. Reverend Carroll and Reverend Carruth, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Reverend CARROLL. I do.

Reverend CARRUTH. I do.

The CHAIRMAN. Reverend Carroll, I am asking you and Reverend Carruth to come in and testify together, and I will direct questions to one of you but if either of the other of you have some supplemental information, please speak up and give it. Of course, I understand you have been working on this matter together.

Reverend Carroll, what is your full name and what church are you a minister of?

Reverend CARROLL. Douglass Carroll, and Central Assembly of God in Biloxi; and I am chairman of the Ministerial Association there.

The CHAIRMAN. Central Assembly of God, in Biloxi?

Reverend CARROLL. Yes, sir.

The CHAIRMAN. And you are chairman of the Ministerial Association in Biloxi?

Reverend CARROLL. That is right.

The CHAIRMAN. And you, Reverend Carruth?

Reverend CARRUTH. My full name?

The CHAIRMAN. Thomas Carruth.

Reverend CARRUTH. Thomas Albert Carruth; yes, sir.

The CHAIRMAN. And what church are you connected with?

Reverend CARRUTH. I am pastor of the First Methodist Church in Biloxi.

The CHAIRMAN. And have you both been in Biloxi or in that section a considerable time?

Reverend CARROLL. Yes, sir.

Reverend CARRUTH. Yes, sir; we have.

The CHAIRMAN. Reverend Carroll, you have been in touch with the committee at Washington, and I want to ask you specifically whether in Biloxi—what is that county?

Reverend CARROLL. That is Harrison County.

The CHAIRMAN. Is Keesler Field near by?

Reverend CARROLL. Keesler Field is in the city limits of Biloxi.

The CHAIRMAN. That is an Air Force field?

Reverend CARROLL. Yes, sir. It is the largest radar school, I believe, in the world.

The CHAIRMAN. Do you know how many men are located at Keesler Field?

Reverend CARROLL. Twenty-one thousand, or thereabouts.

The CHAIRMAN. Have you and Reverend Carruth been active in the association to try to do something about gambling and criminal conditions in Biloxi and in that county?

Reverend CARROLL. Yes, sir; with all of our might, we have.

The CHAIRMAN. How long has this effort been going on?

Reverend CARROLL. Since January 8, 1950. That is when we made our first move against gambling in that county.

The CHAIRMAN. In that county, let's talk about the types of gambling, and is gambling open where everybody can see it and anybody can participate?

Reverend CARROLL. Yes, sir.

The CHAIRMAN. What types of gambling?

Reverend CARROLL. Well, blackjack tables and mostly slot machines. There are about 35—I mean, 1 slot machine for every 35 people, I understand, in Harrison County.

The CHAIRMAN. And the things you speak about, I want you to speak of your own knowledge and not just what somebody has told you.

Are the slot machines in business places and restaurants?

Reverend CARROLL. Filling stations; that's right.

The CHAIRMAN. At Keesler Field: are machines out there?

Reverend CARROLL. There were, but since our President ruled them off the military posts, they have been moved. We moved upon Keesler Field to have them moved from there. We were rejected in fact. They would not move them from Keesler Field during our drive on slot machines.

The CHAIRMAN. Until recently, when the——

Reverend CARROLL. When the President ordered them——

The CHAIRMAN. Law went into effect.

Reverend CARROLL. That is right.

The CHAIRMAN. Tell what you have seen and what you know about any effect the slot machines in the territory have on the boys at Keesler Field.

Reverend CARROLL. Well, I don't know whether you are familiar with the average age of the boys at the field, but it is about 19 years of age. Some of them are much younger, some of them are older; but many of these boys have come to me as a minister, stating that after pay day, sometimes before the pay day had elapsed, that they had put all their money into slot machines, or that they had lost their money at a blackjack table, and they were somewhat disturbed by it.

And it seemingly is that the slot-machine operators thrive upon waiting for these boys to get their pay day, that they might fill their coffers from these men who are getting paid from Kessler Field, which is a very large concentration of boys there.

The CHAIRMAN. Now, in addition to slot machines and blackjack, are there gambling casinos run wide open, with craps and other types of gambling?

Reverend CARROLL. Oh, yes; on the coast. You will find it along the coast and in Biloxi. In some places they have signs on the doors, "No minors allowed."

The CHAIRMAN. In other words, it's wide open to the public?

Reverend CARROLL. Yes; that's right; you or I, either one, could go in there if we weren't recognized.

The CHAIRMAN. Have you seen them yourself?

Reverend CARROLL. Oh, yes; I have.

The CHAIRMAN. Can you state that there are other people from outside the State or from other States that have come there to take part of it, or to go into the management or to have something to do with it?

Reverend CARROLL. Well, I would have to state that from hearsay, but that is the understanding in general. Some of them are operated from out of the State; some of them are locally operated.

The CHAIRMAN. What have you tried to do about it?

Reverend CARROLL. Well, we tried to file affidavits and have them brought into court and tried, but we never could get convictions in the courts in the city.

The CHAIRMAN. What is the law-enforcement set-up? Is it under the jurisdiction of the sheriff or the chief of police, or what?

Reverend CARROLL. I don't quite understand just what you mean.

The CHAIRMAN. I mean who is supposed to stop it, if it is supposed to be stopped?

Reverend CARROLL. I would assume that it is in the county, that the sheriff of the county should enforce the law and put the slots out; if it is in the city, I think the city law-enforcement officers should put them out.

The CHAIRMAN. Have you taken it up with the sheriff and city officials?

Reverend CARROLL. Yes, sir; we have taken it up with the sheriff.

The CHAIRMAN. Have you taken it up with the head of the police department in the city of Biloxi?

Reverend CARROLL. Yes, sir; we did.

The CHAIRMAN. Did you get any assistance or did they do anything about it?

Reverend CARROLL. No, sir.

The CHAIRMAN. Did you take it up with them, too, Reverend Carruth?

Reverend CARRUTH. Yes, I did; with Brother Carroll, in the organization. I was one of the group that went before them.

The CHAIRMAN. This organization is composed of lay people as well as preachers?

Reverend CARROLL. Oh, yes; we had quite a lot of backing.

The CHAIRMAN. How many people's backing do you have?

Reverend CARROLL. Well, in the mass meeting, what would you say we had?



Reverend CARRUTH. I would say there were three or four hundred people there, in one of our meetings; a number of people across the city expressed interest in what we were doing.

The CHAIRMAN. Well, I might say that some public officials from Mississippi have asked us to invite you to come in and we are not going to have an opportunity, on this occasion, to go into the details, but we did want to get the general situation there; and also your understanding that slot machines were from other places, and also that people from other States had part of the operation of it, one way or another. Is that correct?

Reverend CARROLL. Yes, sir.

The CHAIRMAN. You have kept, I believe, a scrapbook which you brought to Washington with you—

Reverend CARROLL. Yes. It is in the room. I have it out there.

The CHAIRMAN. I believe, Reverend Carroll—

Reverend CARROLL. Yes, sir.

The CHAIRMAN. Which shows in picture form some of the places and some of the operations.

Reverend CARROLL. That's right.

The CHAIRMAN. Suppose you get the scrapbook.

(Reverend Carroll went after the book.)

The CHAIRMAN. While he is gone, Reverend Carruth, who is the sheriff of this county and who is the chief of police of Biloxi that you have talked to, yourself?

Reverend CARRUTH. Mr. Les Quave is the sheriff of the county we have talked with, and chief of police—Brother Carroll?

Reverend CARROLL. Earl Wetzel. There is a recent change in the city administration.

The CHAIRMAN. Earl—what?

Reverend CARROLL. Wetzel, I believe.

Reverend CARRUTH. Earl Wetzel.

The CHAIRMAN. Who is the mayor of Biloxi?

Reverend CARROLL. Mr. Chin.

Reverend CARRUTH. Mr. Hart Chin. He has just taken over.

The CHAIRMAN. He is the new mayor.

Reverend CARROLL. Yes, sir.

The CHAIRMAN. Who is the old mayor?

Reverend CARROLL. G. B. Cousins, Jr.

The CHAIRMAN. Let's see your scrapbook.

(The scrapbook was tendered to the chairman.)

The CHAIRMAN. This shows a number of pictures of meetings and what not, where you and members of the association have been trying to do something about these things over a period of several months. Is that correct?

Reverend CARROLL. Yes, sir. We had the machines out for about 3½ months. Some of them were still in hiding and they were played behind curtains and walls and doors, but you could still hear them operating.

The CHAIRMAN. So they just went underground a little bit.

Reverend CARROLL. Yes, sir; because I was threatened so many times I seemed to get a little scared myself.

The CHAIRMAN. You were threatened? Tell us about that.

Reverend CARROLL. The main threat I got one night when I was returning home from one of these raids we were endeavoring to

make. I had taken Reverend Carruth home. We were a little afraid of traveling at night because of the uncertainty. We didn't know when we would get a bullet or something shot at us because the situation was very tense. Our lawyer was offered five hundred or a thousand dollars to back out of the case.

The CHAIRMAN. Well, just tell what you know now. Who threatened you?

Reverend CARROLL. Well, as far as who threatened me, this gentleman followed me to my garage, stepped out of his car and told me that if I did not back out of this that my family and my boy—it certainly would not be well for them; and to get from my garage to my door I want you to know I was pretty scared, as anybody would be. To get from my garage door to my back porch I had to come back around my car. In other words, I had to come west and then to the back of my car and back east again. So the man must have thought I was coming toward his car, so after the threat he took off. As to his identity I don't know who he was; I know what kind of car he was driving, his license plate was covered up.

Mr. RICE. Did that happen in the day or at night?

Reverend CARROLL. That happened at midnight; about 5 minutes after 12 at night.

The CHAIRMAN. You told me outside you thought you had been threatened, either physical harm or your life, at least a hundred times.

Reverend CARROLL. Over the telephone; or more than that. I have been threatened by both men and women.

The CHAIRMAN. Over a hundred times.

Reverend CARROLL. More than that.

The CHAIRMAN. What would the threats consist of?

Reverend CARROLL. Well, they would consist of the fact that these slot machines that I have no business to have any part of in them; that my business was preaching from the pulpit the Word of God and leaving gambling alone. If somebody wants to gamble, let them gamble.

The CHAIRMAN. What did they say they would do to you?

Reverend CARROLL. Well, they said it would not be well for us.

The CHAIRMAN. Did you have threats, too, Reverend Carruth?

Reverend CARRUTH. I don't believe I have had any personal threats; I have some mysterious calls from unknown persons.

The CHAIRMAN. Somebody outside—John Bertucci. Who is he?

Reverend CARROLL. He lives in Biloxi.

The CHAIRMAN. What does he do in Biloxi?

Reverend CARROLL. As far as his occupation is concerned, I don't know.

The CHAIRMAN. Well, has he been mixed up in this matter in any way?

Reverend CARRUTH. He was summoned, Senator, in the trial we had in the city court. There they asked him several questions about his business.

The CHAIRMAN. All right. Anyway, here is some pictures of just slot machines out in the open. Is that typical?

Reverend CARRUTH. Yes, sir; it is very typical.

Reverend CARROLL. In a truck, you mean?

The CHAIRMAN. No. This seems to be in a store or something, and some boy is looking at them.

Reverend CARROLL. Well, you can take pictures of them in the open, right there anywhere, even today. They are right there operating.

The CHAIRMAN. Do you think the majority of the people want something done about it over there?

Reverend CARROLL. Yes; I do; but I think a lot of the people are afraid to make a move.

The CHAIRMAN. Why don't they get officials who do something about it, if they want it?

Reverend CARRUTH. Sir, we have been working on that angle and it is very difficult. We have appealed to our city officials, our county officials; it has laid before the Governor of the State of Mississippi, and he has refused to do anything about it.

The CHAIRMAN. He said it is a county matter?

Reverend CARRUTH. I presume he would think that; yes, sir.

The CHAIRMAN. Did you personally lay it before him, or who did?

Reverend CARROLL. No; I did not. Mr. Lee Guice laid it before the Governor of the State of Mississippi. He is an attorney in our city, Mr. Guice.

The CHAIRMAN. Is Mr. Guice an attorney for the association?

Reverend CARRUTH. He was at the time he presented it to the Governor.

The CHAIRMAN. All right. That is all.

Do you have anything else you would like to say about that?

Reverend CARRUTH. I would just like to say this, Senator, that we in Mississippi appreciate very much the fine work you and your committee are doing, and we are here this afternoon at your invitation and in the interest of good Christian people of Biloxi, but more especially in the interest of all the Christian mothers and fathers who have these young men at Keesler Field and who do not want to see them become gamblers or become immoral persons. We will be glad to cooperate with you in any further way we can in carrying out your work.

The CHAIRMAN. Thank you very much.

(Witness excused.)

#### TESTIMONY OF MRS. JOHN J. (VIOLA) GROSCH, NEW ORLEANS, LA.

The CHAIRMAN. I might say, in connection with Mr. Grosch, we told Mr. Grosch we were going to look into some of the matters we asked him about. He wanted to know why the questions were asked him, so I felt, in fairness to him, that we should look into the matter. I don't want to get into a long controversy between Mr. Grosch and anybody else over irrelevant matters, but I think we owe it to him, or to the committee, to show the reasons the questions were asked him last night.

Come around, Mrs. Grosch.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mrs. GROSCH. I do.

The CHAIRMAN. Now, let's get down to the point. Certain questions were asked Mr. Grosch which were denied, and it has apparently turned out to be partly upon information that we got directly or indirectly

from Mrs. Grosch, as the basis for the questions. Let's find out what the questions were and what it was about.

Mr. RICE. Now, your name is Mrs. John Grosch?

Mrs. GROSCH. That is right.

Mr. RICE. You were formerly the wife of John Grosch, the criminal sheriff here?

Mrs. GROSCH. Right.

The CHAIRMAN. What do you do now, Madam?

Mrs. GROSCH. I am supervisor at the Hotel Dieu.

The CHAIRMAN. Supervisor at where?

Mrs. GROSCH. Hotel Dieu.

Mr. RICE. That is a hospital here?

Mrs. GROSCH. A hospital here, yes; Tulane University.

Mr. RICE. And you are supervisor of the nurses or nurses aids there?

Mrs. GROSCH. Nurses aids; yes.

Mr. RICE. How long have you been there?

Mrs. GROSCH. Three years.

Mr. RICE. When were you married to John Grosch?

Mrs. GROSCH. In 1921.

Mr. RICE. In 1921?

Mrs. GROSCH. Yes.

Mr. RICE. And you were divorced in what year?

Mrs. GROSCH. '41.

Mr. RICE. 1941?

Mrs. GROSCH. '41.

Mr. RICE. I see. Now, what was Grosch's job during the time that you were married to him?

Mrs. GROSCH. Well, when I first married him he was a pile driver. And then a year later he went in on the police force.

Mr. RICE. When he was first married, he was what?

Mrs. GROSCH. A pile driver.

Mr. RICE. A pile driver?

Mrs. GROSCH. He worked on a pile driver.

Mr. RICE. Yes.

Mrs. GROSCH. Then, a year later he went on the police force, and he was just on there about 2 months when they got him into the detective office. Then he was a detective; then chief of detectives, for many years.

Mr. RICE. Yes.

The CHAIRMAN. I don't want to go into all the case history about the matter; it is important and interesting, but it is necessary that we get on. Let's take up specifically the things we asked Mr. Grosch last night and that he denied knowing anything about.

Mr. RICE. During the time that you were married to Grosch, did he have a safe box in the home?

Mrs. GROSCH. Yes; he did.

Mr. RICE. A locked box?

Mrs. GROSCH. That is right.

Mr. RICE. Tell us about that; when and where it was obtained.

Mrs. GROSCH. Well, he sent me for it. I bought it at Rolland's Lock Co., on Camp Street.

Mr. RICE. You say he sent you for it?

Mrs. GROSCH. He sent me for it; yes. It was a box about this long [indicating] and this high.

The CHAIRMAN. Indicating about 2 feet long and 1 foot high?

Mrs. GROSCH. That is right. And it had a combination on it.

Mr. RICE. It had a combination on it?

Mrs. GROSCH. That is right.

Mr. RICE. A strong box?

Mrs. GROSCH. Yes.

Mr. RICE. And that was bought at Rolland's, on Camp Street?

Mrs. GROSCH. That's right.

Mr. RICE. Do you remember about what year that was?

Mrs. GROSCH. Around 1938 or 1939.

Mr. RICE. Around 1938 or 1939.

Mrs. GROSCH. Yes.

Mr. RICE. Now, what did he tell you to do about the box—how to buy it, what name to give?

Mrs. GROSCH. Well, he told me not to use his name.

Mr. RICE. He told you not to use his name?

Mrs. GROSCH. To get it under an assumed name, and to give a different address.

Mr. RICE. Give what?

Mrs. GROSCH. Give another address.

Mr. RICE. What name did he tell you to use?

Mrs. GROSCH. Well, he didn't tell me so I used the name of "J. Smith."

Mr. RICE. You used the name, "J. Smith?"

Mrs. GROSCH. Yes; on Chestnut Street.

Mr. RICE. Why did you pick that name?

Mrs. GROSCH. Well, my mother's maiden name was Smith and that's the first name that came to me.

Mr. RICE. Your mother's maiden name was Smith?

Mrs. GROSCH. That is right.

Mr. RICE. Why did you select an address on Chestnut Street?

Mrs. GROSCH. Well, my sister lives right there, and I—

Mr. RICE. Did you give your sister's address?

Mrs. GROSCH. I don't think it was her address. It was right there in the block with her.

Mr. RICE. Now, so that you just picked an address on Chestnut Street.

Mrs. GROSCH. That's all; yes.

Mr. RICE. Do you remember who you dealt with at Rolland's?

Mrs. GROSCH. No; I don't remember that.

Mr. RICE. I see: About how much did this box cost?

Mrs. GROSCH. About \$10.50, or \$11.

Mr. RICE. It cost \$10 or \$11?

Mrs. GROSCH. \$10 or \$11.

Mr. RICE. Was it delivered to your home?

Mrs. GROSCH. Was it delivered to our home?

Mr. RICE. Yes. Did you carry it home?

Mrs. GROSCH. I carried it home.

Mr. RICE. Where were you living at that time?

Mrs. GROSCH. 6168 Canal Boulevard.

Mr. RICE. Now then, when you got it home, where did you keep it?

Mrs. GROSCH. In the attic.

Mr. RICE. In the attic?

Mrs. GROSCH. Yes.

Mr. RICE. What use was made of the box?

Mrs. GROSCH. To hold money.

Mr. RICE. To hold what money?

Mrs. GROSCH. Well, money that was brought into the home.

Mr. RICE. Well, tell us about the money that was brought into the home.

Mrs. GROSCH. Well, I mean, the check money: I mean his check was turned over to me when he got it.

Mr. RICE. That is his salary check you are talking about now—

Mrs. GROSCH. That's right.

Mr. RICE. That he got from the police department, was turned over to you?

Mrs. GROSCH. That is right. This money was brought to the home or he brought it from the office, in different sums.

Mr. RICE. This was cash money, was it not?

Mrs. GROSCH. All cash.

Mr. RICE. In different sums. Now, what sums? Would it be large bills or small bills?

Mrs. GROSCH. No; most of it was brought home in \$5, or most \$1 bills. He sent me to the bank to get large bills for the money.

Mr. RICE. He brought money in ones and fives and when you would get together how much would you go to the bank?

Mrs. GROSCH. Oh, well, I would go down and get 150 dollar bills. Sometimes thousands if it was possible.

Mr. RICE. When you would get a hundred or thousand dollars you would go to the bank and get hundreds and thousands?

Mrs. GROSCH. Yes, sir.

Mr. RICE. I see. What bank would you go to?

Mrs. GROSCH. All of them.

Mr. RICE. You would go to all of them; just go to a cashier and change the money?

Mrs. GROSCH. That's right.

Mr. RICE. When you got the large bills, what would you do?

Mrs. GROSCH. Put them in the safe deposit box.

Mr. RICE. Now, then, how much money accumulated in that box?

Mrs. GROSCH. Well, when I left there, there was \$150,000 in the box.

Mr. RICE. When you left there?

Mrs. GROSCH. Yes.

Mr. RICE. What year was that?

Mrs. GROSCH. That was in 1940, I think.

Mr. RICE. In 1940?

Mrs. GROSCH. Yes.

Mr. RICE. Did you ever count that money?

Mrs. GROSCH. Yes, I did.

Mr. RICE. And how much was there when you counted that?

Mrs. GROSCH. There was \$150,000 when I left.

Mr. RICE. In 1940?

Mrs. GROSCH. Yes.

Mr. RICE. Now, then, over what period had that money accumulated. Mrs. Grosch.

Mrs. GROSCH. Oh, I'll say for about 1934; around 1934 or 1935.

Mr. RICE. Starting in 1934?

Mrs. GROSCH. Around that time.

Mr. RICE. Now, then, where did that money come from?

The CHAIRMAN. Don't state unless you know where it came from, unless you saw who brought it.

Mrs. GROSCH. Well, I would not know where the money came that was brought into the house by him.

Mr. RICE. Yes.

Mrs. GROSCH. But I did get money at the house that different people brought to the home.

Mr. RICE. You say you got money at the house that different people brought to the home?

Mrs. GROSCH. That is right.

The CHAIRMAN. Let's mention some whom we asked him about last night.

Mr. RICE. Did George Brennan bring any money to the house?

Mrs. GROSCH. George Brennan was at the house all the time, but I don't know whether—he didn't give me any money.

Mr. RICE. He didn't give you any money?

Mrs. GROSCH. No.

Mr. RICE. Did he give you anything else?

Mrs. GROSCH. No.

Mr. RICE. How about groceries?

Mrs. GROSCH. No.

Mr. RICE. How about Collogne?

Mrs. GROSCH. Well, he would give presents on Christmas, and different things like that.

Mr. RICE. Brennan would give presents on Christmas?

The CHAIRMAN. Well, let's ask about the money.

Mr. RICE. How about Collogne and Cigali?

Mrs. GROSCH. They would send somebody there.

Mr. RICE. They would send someone there?

Mrs. GROSCH. Yes; they would send someone there.

Mr. RICE. Did Collogne come himself?

Mrs. GROSCH. No.

Mr. RICE. Do you know who Collogne sent?

Mrs. GROSCH. No. He sent some little short fellow. He said Johnny Jones. I didn't know who he was.

Mr. RICE. Johnny Jones. How about Cigali?

The CHAIRMAN. What would he bring when he came, this Johnny Jones, or whoever this man was?

Mrs. GROSCH. What would he bring when he came?

The CHAIRMAN. Yes.

Mrs. GROSCH. Mostly when I would see him it would be around the holidays, Christmas and all, and it would be a case of champagne, and turkeys and things.

The CHAIRMAN. I am talking about money or something. Did he bring any money?

Mrs. GROSCH. No; he didn't give me money.

The CHAIRMAN. Who brought money, if you know who brought money?

Mrs. GROSCH. Mr. Copeland came every week with money.

Mr. RICE. Larry Copeland? Was that Larry Copeland?

Mr. GROSCH. I don't know what his first name was.

Mr. RICE. What business was Copeland in?

Mrs. GROSCH. I really don't know.

Mr. RICE. Do you know Copeland when you see him?

Mrs. GROSCH. I think I would. I haven't seen him in many years, but I think I would.

Mr. RICE. When Copeland came there did he give the money to you or to Johnny?

Mrs. GROSCH. He gave it to me.

Mr. RICE. How much would he give you at a time?

Mrs. GROSCH. \$39 a week.

Mr. RICE. Did he tell you to turn it over to him?

Mrs. GROSCH. Yes. It was in an envelope.

Mr. RICE. I beg your pardon?

Mrs. GROSCH. He had it in an envelope.

Mr. RICE. And he would tell you to give it to Johnny?

Mrs. GROSCH. Yes.

Mr. RICE. And you would give it to Johnny?

Mrs. GROSCH. Yes.

Mr. RICE. Do you remember how much it was in the envelope?

Mrs. GROSCH. He used to bring \$39 every week.

Mr. RICE. How did they arrive at that amount?

Mrs. GROSCH. I wouldn't know.

Mr. RICE. How about Julius Pace? Did he ever bring anything there?

Mrs. GROSCH. Oh, yes; he used to come all the time.

Mr. RICE. He used to come all the time.

Mrs. GROSCH. He'd come to the house all the time.

Mr. RICE. What would he do?

Mrs. GROSCH. He would give Johnny money.

Mr. RICE. He would give him money?

Mrs. GROSCH. Yes. He never gave it to me. He would send presents.

The CHAIRMAN. Did you see that yourself?

Mrs. GROSCH. Yes, sir.

Mr. RICE. You say you did see it?

Mrs. GROSCH. Yes.

Mr. RICE. How much would Pace give?

Mrs. GROSCH. I don't know the exact amount he would give.

Mr. RICE. What business is Pace in?

Mrs. GROSCH. Pace?

Mr. RICE. Yes.

Mrs. GROSCH. I don't know; either in the lottery or slot machine, but I don't know which.

Mr. RICE. Either in the lottery or slots.

Mrs. GROSCH. I know when the music boxes first came out he brought one out to the house; he brought one out to the house for a present when they first came out.

Mr. RICE. How about Henry Muller?

Mrs. GROSCH. Henry Muller? Yes, he used to come every Saturday and brought all the food for the week.

Mr. RICE. He brought all the food for the week?

Mrs. GROSCH. Yes.

Mr. RICE. What business is Henry Muller in?

Mrs. GROSCH. I think he has a house of prostitution.



Mr. RICE. He has a house of prostitution?

The CHAIRMAN. Well, don't say unless you know what he has. Do you know that?

Mrs. GROSCH. Well, I heard Johnny say it. I mean, I never did see it, but—

Mr. RICE. Did Morris Reiner ever give Johnny anything?

Mrs. GROSCH. Yes.

Mr. RICE. What did he give him?

Mrs. GROSCH. He gave him different pieces of jewelry.

Mr. RICE. Different pieces of jewelry. Diamonds?

Mrs. GROSCH. Yes.

Mr. RICE. How about the time when you bought the house on Canal? Was there any mortgage placed on that? Was there a mortgage on that house?

Mrs. GROSCH. Well, they put a mortgage on it, but we really didn't need any because it was paid for.

Mr. RICE. It was paid for?

Mrs. GROSCH. Yes.

Mr. RICE. Who did they put the mortgage on with? What was the name of the man?

Mrs. GROSCH. Monte Hart.

Mr. RICE. Monte Hart. But it was a fake mortgage?

Mrs. GROSCH. That is right.

Mr. RICE. Actually the money was paid up and he did not owe the money to Monte Hart. Is that right?

Mrs. GROSCH. That is right.

Mr. RICE. Now, then, Monte Hart died, didn't he?

Mrs. GROSCH. Yes, he killed himself.

Mr. RICE. And then what did he do?

Mrs. GROSCH. He transferred it over to George Brennan. He reduced it to \$5,000 and changed it over to George Brennan.

Mr. RICE. He didn't owe George Brennan anything though, did he?

Mrs. GROSCH. No; it was the same transaction.

The CHAIRMAN. Why would he be faking the mortgage?

Mrs. GROSCH. Well, that was right after the time when Huey Long came down here investigating the taxes and he couldn't account for his money.

The CHAIRMAN. This mortgage was \$10,000, wasn't it?

Mr. RICE. It was originally 10, when Monte Hart had it?

Mrs. GROSCH. Yes.

Mr. RICE. And it was reduced to five when Brennan had it?

Mrs. GROSCH. Reduced to five.

Mr. RICE. Do you remember the time when the Suburban Building and Loan Association had a loan on the house?

Mrs. GROSCH. Yes, I do.

Mr. RICE. That was when you first bought it, was it not?

Mrs. GROSCH. Yes; that is right.

Mr. RICE. And did you go down to the Suburban and make any payments for Johnny?

Mrs. GROSCH. I made all of them.

Mr. RICE. You made all of them?

Mrs. GROSCH. Yes.

Mr. RICE. Did you make payments larger than \$100 for him?

Mrs. GROSCH. Oh, yes.

Mr. RICE. Well, now, was there any change made in the amount of payments for any reason?

Mrs. GROSCH. No. I mean, he just wanted to get it paid up in a hurry.

Mr. RICE. He wanted to get it paid up in a hurry?

Mrs. GROSCH. Yes.

Mr. RICE. Did he pay as much as a thousand dollars at a time?

Mrs. GROSCH. That's right; he paid a thousand dollars until he was told to stop.

Mr. RICE. He paid a thousand dollars until he was told to stop?

Mrs. GROSCH. That's right.

Mr. RICE. Who told him?

Mrs. GROSCH. Mr. Reyer.

Mr. RICE. George Reyer?

Mrs. GROSCH. Yes.

Mr. RICE. Were you there when he told him?

Mrs. GROSCH. No; but he came home and told me not to do it, not to pay it any more because he was told to cut down on the payments.

Mr. RICE. Johnny Grosch came home and told you not to pay a thousand dollars any more; just to pay a hundred?

Mrs. GROSCH. Yes.

Mr. RICE. What reason?

Mrs. GROSCH. Well, I don't know what reason.

Mr. RICE. Did it look bad?

Mrs. GROSCH. Well, he couldn't pay that out of his salary.

Mr. RICE. He couldn't pay it out of his salary. He couldn't account for how he could make such substantial payments. Is that the idea?

Mrs. GROSCH. That's right.

The CHAIRMAN. Well, what was his salary then?

Mrs. GROSCH. I think he was getting \$186 at the time; that is, a month.

Mr. RICE. Was he having troubles with the tax people?

Mrs. GROSCH. Well, when Long investigated he had troubles with them.

Mr. RICE. And what did he do to straighten that out?

Mrs. GROSCH. Well, he straightened it out. He paid up quite a bit of the taxes.

Mr. RICE. Did he ever get you to say that you had lost any money gambling?

Mrs. GROSCH. Yes; he did.

Mr. RICE. Who did he get you to say that to?

Mrs. GROSCH. To the tax people.

Mr. RICE. To the tax people?

Mrs. GROSCH. Yes.

Mr. RICE. Tell us about that—what his instructions were.

Mrs. GROSCH. I mean, that was in the Huey Long investigation, when he had so much money. He had money in the banks and everything, and he couldn't account for it, so he had to say that I won it.

Mr. RICE. That you won it?

Mrs. GROSCH. Uh huh.

Mr. RICE. Did you ever gamble?

Mrs. GROSCH. I played keno; that's all.

Mr. RICE. Did you ever win?

Mrs. GROSCH. Once in a while [laughing] but——

Mr. RICE. What amount did he cause you to say you had won—how much money?

Mrs. GROSCH. Oh, I think it ran into \$10,000, something.

Mr. RICE. About \$10,000. You never won that much playing keno, did you?

Mrs. GROSCH. No, indeed; I didn't. I don't think you can.

Mr. RICE. Now, on the money that was put in this box—was any record kept of that?

Mrs. GROSCH. No; just by counting it and putting it in there.

Mr. RICE. Just by counting it. He didn't keep any slip as to whom it came from——

Mrs. GROSCH. No.

Mr. RICE. Or any books?

Mrs. GROSCH. No.

Mr. RICE. Now, where did he have bank accounts?

Mrs. GROSCH. Well, he had bank accounts in all the banks before the depression that time.

Mr. RICE. He had bank accounts in all the banks?

Mrs. GROSCH. Until I had to go get it out.

Mr. RICE. And he told you to get it out?

Mrs. GROSCH. Yes.

Mr. RICE. Now, were those all in his name?

Mrs. GROSCH. Some of them were in his name; some in mine.

Mr. RICE. Some were his, some were yours?

Mrs. GROSCH. Yes.

Mr. RICE. Any other names?

Mrs. GROSCH. No, sir.

Mr. RICE. How about "John Joseph?"

Mrs. GROSCH. Oh, he had a box, a safety deposit box in the name of John Joseph.

Mr. RICE. He had a safety deposit box?

Mrs. GROSCH. Yes.

Mr. RICE. Where was that?

Mrs. GROSCH. I think it was in the American Bank.

Mr. RICE. Did you have a key to that?

Mrs. GROSCH. No.

Mr. RICE. He was the only one that had a key?

Mrs. GROSCH. That was all.

Mr. RICE. Did you ever see what was in that box?

Mrs. GROSCH. No, I never did.

Mr. RICE. Did he have a bank account in Mobile?

Mrs. GROSCH. I wouldn't know, but he made many a trip there.

Mr. RICE. He made many trips to Mobile?

Mrs. GROSCH. Yes.

Mr. RICE. What did he tell you about banking in Mobile?

Mrs. GROSCH. Well, the only thing, he did say that one day he went to Mobile on the 22d of February and said he made the trip for nothing: the bank was closed and he had to go back the next day.

Mr. RICE. Did he say that to you?

Mrs. GROSCH. Yes.

Mr. RICE. Was anyone else there when he said that to you?

Mrs. GROSCH. Yes; I think George Brennan was there at the time.

Mr. RICE. You don't know what bank in Mobile, though?

Mrs. GROSCH. No; I never did know.

Mr. RICE. How did he explain that to you? Did you ask him what he was doing with a bank account up there?

Mrs. GROSCH. No.

The CHAIRMAN. All right. Anything else?

Mr. RICE. Did Johnny Grosch ever go to Hot Springs?

Mrs. GROSCH. Yes; he did.

Mr. RICE. Did you ever go up there with him?

Mrs. GROSCH. I did.

Mr. RICE. And did you meet with other people up there?

Mrs. GROSCH. We met Costello one time up there.

Mr. RICE. You met Frank Costello up there?

Mrs. GROSCH. I did.

Mr. RICE. Tell us about that.

Mrs. GROSCH. Well, I mean, I don't know whether it was a casual meeting or what, but we met him out in the Belvedere Club.

Mr. RICE. In the what?

Mrs. GROSCH. In the Belvedere Club.

Mr. RICE. In the Belvedere Club, up there in Hot Springs?

Mrs. GROSCH. Yes; in Hot Springs.

Mr. RICE. What did they talk about?

Mrs. GROSCH. I wouldn't know.

Mr. RICE. Were you there when they talked?

Mrs. GROSCH. They didn't talk in front of me.

Mr. RICE. They didn't talk in front of you?

Mrs. GROSCH. No, sir.

Mr. RICE. Have you ever heard of Phil Kastel?

Mrs. GROSCH. Yes; I have heard of him, but I don't know him.

Mr. RICE. You haven't met him?

Mrs. GROSCH. No.

Mr. RICE. Did Johnny tell you about his protection of the slot machines for the Louisiana Mint Co.?

Mrs. GROSCH. No; I never heard him speak of it.

Mr. RICE. Did he talk about Costello's slot machines?

Mrs. GROSCH. He used to speak of slot machines all the time, but, I mean, not to mention any name.

The CHAIRMAN. All right. I believe that's enough. That's all, Mrs. Grosch.

Mr. RICE. I have a few more. Now, then, at the time of the divorce, who represented you, Mrs. Grosch?

Mrs. GROSCH. Mr. Walet—Eugene Walet.

Mr. RICE. Now, then, did you sue Johnny?

Mrs. GROSCH. Yes; I did.

Mr. RICE. You brought suit?

Mrs. GROSCH. Yes.

Mr. RICE. Now, did you file for alimony or settlement?

Mrs. GROSCH. Yes; I wanted alimony, but I wasn't able to get it.

Mr. RICE. You wanted alimony but you couldn't get it. Well, now, did you get a property or money settlement?

Mrs. GROSCH. Yes; I did.

Mr. RICE. What was that settlement?

The CHAIRMAN. Well, unless there is some particular reason for asking what the settlement was—

(Chairman and Mr. Rice confer.)

The CHAIRMAN. All right. Counsel says there is some reason to ask it.

Mr. RICE. What was the agreement?

Mrs. GROSCH. I don't know. I think it was \$23,000, something like that; and different Homestead books, and a Buick car.

Mr. RICE. So that you got \$23,000 and some other things.

Mrs. GROSCH. I mean Homestead books.

Mr. RICE. Homestead books.

Now, were there two agreements?

Mrs. GROSCH. Yes; there were.

Mr. RICE. Well, explain that. Tell us what that was.

Mrs. GROSCH. Well, I mean, he made the agreement—the agreement was made and the other one was made out for \$5,000.

Mr. RICE. He made out an agreement for \$5,000?

Mrs. GROSCH. That is right.

Mr. RICE. And that was the one you put on the records?

Mrs. GROSCH. Yes; that was the one that was recorded.

Mr. RICE. Now then, you had an "under the table" agreement for more than that. Is that right?

Mrs. GROSCH. That's right.

Mr. RICE. And were both of those agreements reduced to writing?

Mrs. GROSCH. That is right.

Mr. RICE. And signed by all the parties?

Mrs. GROSCH. That's right.

The CHAIRMAN. Are these the agreements here, Mr. Rice?

Mr. RICE. Yes.

The CHAIRMAN. Let's enter them for identification. Exhibit A, I believe, is on the record, and exhibit B is not on the record. Get them identified, Mr. Rice.

Mr. RICE. I show you a paper and ask you if you recognize it?

Mrs. GROSCH. Yes, sir.

Mr. RICE. Take a look at it.

Mrs. GROSCH. Yes.

Mr. RICE. What is it?

Mrs. GROSCH. That is the one that was recorded.

The CHAIRMAN. That is the agreement that is recorded?

Mrs. GROSCH. Yes.

The CHAIRMAN. Is that correct?

Mrs. GROSCH. Yes, sir.

Mr. RICE. That is the one for \$5,000?

Mrs. GROSCH. That is right.

Mr. RICE. We will introduce that.

The CHAIRMAN. All right. That will be made a part of the record at this point.

(The document referred to as exhibit A was marked "Exhibit No. 19," and appears in the appendix on p. 442.)

Mr. RICE. I show you a second paper and ask you if you recognize it.

Mrs. GROSCH. Yes. This is the right paper.

Mr. RICE. That's the right paper?

Mrs. GROSCH. That's right.

Mr. RICE. That's what you actually received.

Mrs. GROSCH. That is right.

The CHAIRMAN. Mark that "Exhibit No. 20."

(The document referred to as exhibit B was marked "Exhibit No. 20," and appears in the appendix on p. 445.)

The CHAIRMAN. How much is that for?

(The witness examines the document.)

The CHAIRMAN. The receipt is on the bottom.

Mr. RICE. Now, there is a handwritten notation here:

NEW ORLEANS, LA., June 21, 1941.

In connection with the above matter, having received judgment granting separation from bed and board in favor of Mrs. Viola Grosch and having effected a settlement of community property in the amount of \$35,700, we hereby acknowledge receipt of all fees in full in the sum of \$3,200 plus costs of \$77, \$77.25.

Signed "Eugene H. Walet, Jr., F. Philson Williamson."

The CHAIRMAN. Were they your attorneys?

Mrs. GROSCH. That is right.

Mr. RICE. Now then, what was your reason for having two agreements like that?

The CHAIRMAN. Well, that is quite obvious, I think.

Mr. RICE. What did he tell you?

Mrs. GROSCH. He didn't want that one recorded.

Mr. RICE. He didn't want that to be known for tax reasons?

Mrs. GROSCH. That is right. He didn't want it to be known for tax reasons.

The CHAIRMAN. All right. That is all. Thank you.

(Witness excused.)

The CHAIRMAN. We asked something about a Cadillac automobile yesterday. What was that based on?

Mr. RICE. We have something on that. I have this other witness.

#### TESTIMONY OF MRS. CELENA PIERPOINT, NEW ORLEANS, LA.

Mr. RICE. You are Mrs. Pierpoint?

Mrs. PIERPOINT. That is right.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mrs. PIERPOINT. I do.

Mr. RICE. Mrs. Pierpoint, where are you employed?

Mrs. PIERPOINT. Rolland Safe & Lock Co.

Mr. RICE. At Rolland Safe & Lock Co.

Mrs. PIERPOINT. Yes, sir; 338 Camp Street.

Mr. RICE. Have you been there for a time?

Mrs. PIERPOINT. Quite some time, sir.

Mr. RICE. How long?

Mrs. PIERPOINT. Oh, since about 1934-35.

Mr. RICE. Yes. Now then, today did a man by the name of George Butler that you see here come over to see you?

Mrs. PIERPOINT. Yes, sir; he did.

Mr. RICE. Did you examine the records of the company?

Mrs. PIERPOINT. Yes, sir.

Mr. RICE. And find certain things?

Mrs. PIERPOINT. Yes, sir.

The CHAIRMAN. Well, read the letter and let her examine the original invoice, or whatever it is.

Mr. RICE. I show you some papers and ask you if you know what they are?

Mrs. PIERPOINT. Yes, sir; definitely.

Mr. RICE. What are they?

Mrs. PIERPOINT. They are records of a purchase of a strongbox from us in 1939.

Mr. RICE. Is this paper a record from the company, kept in the usual course of business?

Mrs. PIERPOINT. Yes, sir; it is.

Mr. RICE. And you recognize it as such?

Mrs. PIERPOINT. Yes, sir.

Mr. RICE. Now then, these are records of what?

Mrs. PIERPOINT. That particular record is a record of only safe purchases.

Mr. RICE. Of safe purchases?

Mrs. PIERPOINT. Yes, sir; safes and small strongboxes, at retail.

Mr. RICE. Yes. Now then, directing your attention to line 4, what do you see there?

Mrs. PIERPOINT. That is a record of J. Smith purchase of a strongbox, we assume, for the small amount of \$10.50.

Mr. RICE. The record of a purchase of J. Smith?

Mrs. PIERPOINT. At 4310 Chestnut Street.

Mr. RICE. 4310 Chestnut.

Mrs. PIERPOINT. November 29, 1939.

Mr. RICE. On November 29, 1939.

Mrs. PIERPOINT. And that is invoice No. 19640.

Mr. RICE. And the amount?

Mrs. PIERPOINT. \$10.50.

Mr. RICE. Ten dollars and a half.

Mrs. PIERPOINT. Yes, sir.

Mr. RICE. All right. We will offer the record as the purchase of the strongbox.

The CHAIRMAN. Let it be made an exhibit.

(The document referred to was marked "Exhibit No. 21," and is on file with the committee.)

The CHAIRMAN. Is that the same address that testimony has shown was the residence of Mr. Grosch?

Mr. RICE. No; that is the street address Mrs. Grosch said she used when she purchased the box.

The CHAIRMAN. All right.

Mr. RICE. Now, at the time that Mr. Butler was over there, did he examine other records?

Mrs. PIERPOINT. Yes, sir; he did.

Mr. RICE. Did he find other names on there from the records?

Mrs. PIERPOINT. Yes, sir; he did.

Mr. RICE. Did you assist him in making notes at that time?

Mrs. PIERPOINT. Yes, sir.

Mr. RICE. I wonder if you find any safes or strongboxes sold to anyone else from those records, such as Jerome Giegerman?

Mrs. PIERPOINT. Yes, sir.

Mr. RICE. Tell us about that. What do the records show about that?

Mrs. PIERPOINT. The records show he purchased a safe the 12th month, 5th, of 1944.

Mr. RICE. Is that our invoice number?

Mrs. PIERPOINT. No, sir; that is not a record of the actual invoice. This would be the invoice number, from our records.

Mr. RICE. Yes.

Mrs. PIERPOINT. 92769.

Mr. RICE. The date is December 5, 1944?

Mrs. PIERPOINT. Yes.

Mr. RICE. Now then, how about H. Giegerman?

Mrs. PIERPOINT. That is correct; on June 21, of '44.

Mr. RICE. He bought a safe or strongbox?

Mrs. PIERPOINT. A safe; that is right.

Mr. RICE. Giving the address, 4750—

Mrs. PIERPOINT. Lafaye Street.

Mr. RICE. Now then, how about James J. Trapani?

Mrs. PIERPOINT. That's right, sir; on January 28, of 1945.

Mr. RICE. He bought a box using the address 2837 Broadway?

Mrs. PIERPOINT. That is right.

Mr. RICE. How about J. Pecoraro?

Mrs. PIERPOINT. Yes, sir; that is correct.

Mr. RICE. He brought a box using the address 120 North Tonti?

Mrs. PIERPOINT. That is correct.

Mr. RICE. How about Anthony Bertucci?

Mrs. PIERPOINT. That is correct also.

Mr. RICE. He bought a box using the address Marrero?

Mrs. PIERPOINT. Yes.

Mr. RICE. And Ed Bertucci, the same thing?

Mrs. PIERPOINT. Yes.

Mr. RICE. At Marrero?

Mrs. PIERPOINT. That is right.

Mr. RICE. All right.

The CHAIRMAN. Thank you, Mrs. Pierpoint.

(Witness excused.)

The CHAIRMAN. Now, Mr. Grosch was asked last night about whether he had been given a Cadillac automobile back in 1946. He said he had not.

Here appears to be a picture of a Cadillac automobile with Mr. Grosch and Mr. Dowling standing next to it. This will be made a part of the record.

(The photograph referred to was made a part of the record as "Exhibit No. 22," and appears in the appendix on p. 446.)

The CHAIRMAN. And the item of May 6, 1946, from the New Orleans Item, part of which will be read into the record, the whole clipping will be put into the record and part will be read, which I understand accompanied the picture in the Item:

#### "JUST A GIFT FOR JOHNNIE"

A luxurious 1946 Cadillac automobile was presented to John J. Grosch, new criminal sheriff, by unnamed friends today.

The presentation was made a few minutes before Mr. Grosch took over his new office.

Sidney (Duke) Schaeffer, who is in the coin-operated machine business, said that the auto had been given by "businessmen" friends of Mr. Grosch.

Richard A. Dowling, attorney for Mr. Grosch, who made the presentation, was asked to give the names of the friends, but refused.



"This auto is presented to Johnny Grosch by his many friends," said Mr. Dowling. "It is being presented in behalf of a thousand persons. I cannot give you their names as they wish to remain anonymous, and I must respect their wishes."

The new machine of the former detective chief is a swanky four-door maroon-colored vehicle, and cost approximately \$2,675.

"There are no strings attached to the gift," Mr. Dowling added.

And, further that—

"The car was not bought here. It was bought in Washington. We pulled all sorts of strings to get it"—

et cetera.

Let's call the next witness.

### TESTIMONY OF JOHN BERTUCCI, BILOXI, MISS.

The CHAIRMAN. Mr. Bertucci, do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. BERTUCCI. I do.

The CHAIRMAN. Mr. Bertucci, what do you do over there in Biloxi?

Mr. BERTUCCI. What do I do in Biloxi?

The CHAIRMAN. Yes.

Mr. BERTUCCI. I am in the finance business, and I speculate in real estate at this time.

The CHAIRMAN. Are you the Bertucci that bought a strongbox at Rolland's?

Mr. BERTUCCI. Me? No, sir.

The CHAIRMAN. Some other Bertucci.

You were in the United Novelty Co.?

Mr. BERTUCCI. Yes, sir.

The CHAIRMAN. How long ago has that been?

Mr. BERTUCCI. In 1945.

The CHAIRMAN. What was the United Novelty Co.?

Mr. BERTUCCI. They handled coin machines.

The CHAIRMAN. You are out of the business now, you say, or are you?

Mr. BERTUCCI. Out of that business. I have an interest in the Crown Novelty Co. here.

The CHAIRMAN. Crown Novelty Co.?

Mr. BERTUCCI. Yes, sir.

The CHAIRMAN. Here in New Orleans?

Mr. BERTUCCI. Yes, sir.

The CHAIRMAN. What is that?

Mr. BERTUCCI. That is a coin-machine business.

The CHAIRMAN. Slot machines, or just—

Mr. BERTUCCI. No; they handle pinballs and phonographs; machines like that.

The CHAIRMAN. The Crown Novelty business; is it a corporation?

Mr. BERTUCCI. Yes, sir.

The CHAIRMAN. Who is the president?

Mr. BERTUCCI. Mr. Nick Carbajal.

The CHAIRMAN. Nick who?

Mr. BERTUCCI. Carbajal. You spell that C-a-r-b-a-j-a-l.

The CHAIRMAN. Does that have something to do with the United Novelty Co.?

Mr. BERTUCCI. No, sir.

The CHAIRMAN. You did own interest in both of them. You sold out to United?

Mr. BERTUCCI. Sold out to United in 1945.

The CHAIRMAN. Do some of the Marcellos have an interest in one or the other of these companies?

Mr. BERTUCCI. Mr. Marcello had an interest in the Dixie Coin Machine Co., and Mr. Pace and I bought he and Mr. Pistachio out in, I am not sure of the month now, but I think it was in August of 1945.

The CHAIRMAN. Now, is that a New Orleans company?

Mr. BERTUCCI. Dixie Coin Co.; yes.

The CHAIRMAN. You bought him and who else out?

Mr. BERTUCCI. Mr. Pete Pistaschio.

The CHAIRMAN. Pete Pistaschio?

Mr. BERTUCCI. Yes, sir.

The CHAIRMAN. What is the name of that company?

Mr. BERTUCCI. That is the Dixie Coin Machine Co.

The CHAIRMAN. Do you still own an interest in that?

Mr. BERTUCCI. I bought Mr. Pace out in 1947, just before he died.

The CHAIRMAN. Well, then, you own it all, do you?

Mr. BERTUCCI. No. That was sold to United Novelty Co. in that year.

The CHAIRMAN. The Dixie Coin Machine Co. was sold to United?

Mr. BERTUCCI. That is right.

The CHAIRMAN. But the United Novelty is a Mississippi company?

Mr. BERTUCCI. That is right.

The CHAIRMAN. Corporation chartered under the laws of Mississippi?

Mr. BERTUCCI. That is right.

The CHAIRMAN. So the interests have been passed back and forth. You have some ownership—some of the people who own an interest in New Orleans own an interest in Biloxi. Is that true?

Mr. BERTUCCI. Just what I have told you is true.

The CHAIRMAN. Well, they do business with one another?

Mr. BERTUCCI. I beg your pardon?

The CHAIRMAN. They do business with one another, the Mississippi company and the New Orleans company?

Mr. BERTUCCI. The New Orleans company is a branch of the Mississippi company, so I understand.

The CHAIRMAN. That is—

Mr. BERTUCCI. When I sold it.

The CHAIRMAN. That is, the Dixie Coin Machine Co. is a branch of United Novelty Co.?

Mr. BERTUCCI. That is right. That is my understanding. As I say, I sold it to the United in I think it was in 1947.

The CHAIRMAN. And what kind of machines do they handle, Mills, Jennings, or what kind? Do you know?

Mr. BERTUCCI. Senator, I don't think I should answer that question.

The CHAIRMAN. Well, anyway—

Mr. BERTUCCI. I am satisfied to cooperate, but I don't think I should incriminate myself.

The CHAIRMAN. Well, we don't want you to incriminate yourself. But they weren't machines made in the State of Mississippi, were they?

Mr. BERTUCCI. No, sir. There are no machines made in the State of Mississippi, as far as I know.

The CHAIRMAN. There has been an effort to get up a company around here to make machines in Louisiana, hasn't there? Have you heard about that?

Mr. BERTUCCI. That has been the general conversation I have heard about.

The CHAIRMAN. Did they talk to you about it?

Mr. BERTUCCI. No, sir.

The CHAIRMAN. Didn't some man come over to Biloxi to interest some of you fellows in joining a company?

Mr. BERTUCCI. Not to me. Maybe to someone else.

The CHAIRMAN. Maybe he talked to somebody else?

Mr. BERTUCCI. Maybe he talked to somebody else.

The CHAIRMAN. Is that the only interest you have had in coin-machine operations?

Mr. BERTUCCI. Yes. That is all I have had, just like I told you.

The CHAIRMAN. How about these?

Mr. BERTUCCI. I beg your pardon. The Crown Novelty owns the Rex Novelty, and Mr. Marcello. What the mayor said yesterday was not true. Mr. Marcello or Mr. Matrangas never owned anything in the Rex, or has never been associated with me in any way only when I bought him out in 1945.

The CHAIRMAN. Now, the Crown Novelty here in New Orleans owns the Rex Novelty Co. also of New Orleans?

Mr. BERTUCCI. No; in Jefferson Parish.

The CHAIRMAN. Jefferson Parish. How do you know that, sir?

Mr. BERTUCCI. Because I am a 50-percent stockholder in the Crown.

The CHAIRMAN. Now?

Mr. BERTUCCI. Yes.

The CHAIRMAN. And why do you have two corporations?

Mr. BERTUCCI. We don't have two corporations.

The CHAIRMAN. What is the Rex Novelty?

Mr. BERTUCCI. It is a branch of the Crown.

The CHAIRMAN. Is it a separate corporation or just a separate trade name?

Mr. BERTUCCI. It is just a trade name.

The CHAIRMAN. Well, the ownership of one is the same as the other, and Carlos Marcello or none of the Marcellos have any interest in the Crown—

Mr. BERTUCCI. Never have had any interest.

The CHAIRMAN. Or the Rex Co.?

Mr. BERTUCCI. The only dealings I have had with Mr. Marcello was buying him out in 1945.

The CHAIRMAN. Who does own the Crown Novelty Co.?

Mr. BERTUCCI. Mr. Carbajal and myself own 50 percent of the stock each. It is a corporation, incorporated for \$20,000.

The CHAIRMAN. Twenty-five what?

Mr. BERTUCCI. \$20,000.

The CHAIRMAN. \$20,000.

Mr. BERTUCCI. We own \$10,000 of stock each.

The CHAIRMAN. Is it a profitable business? Has it been?

Mr. BERTUCCI. Not too much.

The CHAIRMAN. Do you mind telling how many machines or how many devices you own or operate, about?

Mr. BERTUCCI. They never have operated any machines at all. We just merely sell machines.

The CHAIRMAN. I mean how many they sell in the course of a year?

Mr. BERTUCCI. Mr. Carbajal is the manager and the active head of it. We would be glad, if you want, to look at the records, we will be glad to furnish the records.

The CHAIRMAN. You sell in Louisiana, Mississippi, and what other States?

Mr. BERTUCCI. I think that is where the bulk of them goes, as near as I know.

Mr. RICE. Are you connected with the National Finance Co. in Biloxi?

Mr. BERTUCCI. Yes.

Mr. RICE. And does that company finance slot machine operations?

Mr. BERTUCCI. It finances phonographs.

Mr. RICE. Phonographs and coin machines?

Mr. BERTUCCI. Phonographs only.

Mr. RICE. Going back several years ago, did you buy a number of machines from Mills in Chicago?

The CHAIRMAN. He asked not to answer that. I won't press the point.

Mr. BERTUCCI. I don't want to answer that question.

Mr. RICE. When you were operating over there did you have any arrangements with the chief of police?

Mr. BERTUCCI. I refuse to answer that, Senator. That certainly would incriminate me as far as State law is concerned.

The CHAIRMAN. He didn't operate them. He said he sold them.

Mr. RICE. In 1944 what did your business gross, approximately?

Mr. BERTUCCI. What did it gross?

Mr. RICE. Yes.

Mr. BERTUCCI. Oh, I would say the entire business probably grossed 200,000, or something like that.

Mr. RICE. Probably grossed \$200,000?

Mr. BERTUCCI. That is right. The entire business.

The CHAIRMAN. You said something about a Mr. Carbajal having an interest with you or being in the business.

Mr. BERTUCCI. That is right.

The CHAIRMAN. What business is that?

Mr. BERTUCCI. The Crown Novelty.

The CHAIRMAN. Is he a 50-50 partner?

Mr. BERTUCCI. That is right.

The CHAIRMAN. Which Carbajal is that?

Mr. BERTUCCI. Nick.

The CHAIRMAN. Is he a young fellow?

Mr. BERTUCCI. I would say a man about 35.

Mr. RICE. He is not a lawyer, is he?

Mr. BERTUCCI. No, not Senator Carbajal.

The CHAIRMAN. He is not a politician or he is not Senator?

Mr. BERTUCCI. I think he is a very poor politician, if he is.

The CHAIRMAN. Things are pretty wide open over in the Biloxi area, I take it?

Mr. BERTUCCI. Well, that seems to be the general opinion.

The CHAIRMAN. Well, you would know pretty well, I suppose, wouldn't you?

Mr. BERTUCCI. Well, I couldn't swear to it.

The CHAIRMAN. I just mean from what you see.

Mr. BERTUCCI. I don't gamble, so I don't go in the places myself.

The CHAIRMAN. But you see where the places are, and everybody knows where they are?

Mr. BERTUCCI. There are night clubs there. I go in those, and the common knowledge is that there is gambling going on. But I could not swear to it.

The CHAIRMAN. They have a little sign up on the door, "No Minors Allowed," in the gambling parts.

Mr. BERTUCCI. I have seen those signs.

The CHAIRMAN. And a great many slot machines in operation?

Mr. BERTUCCI. I will have to pass that by also.

The CHAIRMAN. Thank you very much, Mr. Bertucci.

We will have a 5 minute recess.

(Short recess.)

**TESTIMONY OF SHERIFF FRANK J. CLANCY, GRETNA, LA., ACCOMPANIED BY EDMOND E. TALBOT, NEW ORLEANS, ATTORNEY**

The CHAIRMAN. Sheriff Clancy, will you come around?

Let me again say, while the witness is coming, that we will probably conclude this hearing sometime tonight. There may be some people in the hearing room who did not hear my previous announcement, but if anybody wants to make any explanation about any testimony that has been given, we want to give them an opportunity to do so. I don't want to leave New Orleans with anybody saying that they were talked about and did not have the opportunity of presenting their side before the committee.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. CLANCY. I do.

The CHAIRMAN. I say, are you the sheriff that is sometimes referred to by some of the magazine writers as "King Clancy?"

Mr. CLANCY (laughing). That's right, Senator.

Mr. TALBOT. Mr. Chairman, I would like to enter my name as counsel for Mr. Clancy: Edmond E. Talbot, 729 Whitney Bank Building.

I want to make this observation for the record, Mr. Chairman: That we object to proceeding before Your Honor as a committee of one in that you do not constitute a quorum of the committee.

The CHAIRMAN. All right, sir.

Mr. TALBOT. I understand you overrule the objection?

The CHAIRMAN. Yes; I have already ruled on that. I overrule the matter again.

Mr. TALBOT. I also want to make the observation that Mr. Clancy does not appear here voluntarily.

The CHAIRMAN. He has been subpoenaed and the subpoena will be made a part of the record if you wish.

Mr. TALBOT. And I also want to make the objection that the subpoena is illegal in both form and substance.

The CHAIRMAN. All right, sir. Your objection will be noted.

Mr. TALBOT. Well, I understand it is a matter of law that will probably come up later.

Mr. CLANCY. Yes, sir.

Mr. TALBOT. Now then, you may proceed with the examination. We will make our returns to the subpoena, if you wish to have them.

The CHAIRMAN. All right. Thank you, Mr. Talbot.

May I ask the sheriff a few questions? What records and books have you brought here, Sheriff?

Mr. CLANCY. I have just brought the stock in some corporations I have.

The CHAIRMAN. Let's see what it is; maybe we will not even need it.

Mr. TALBOT. Just a minute. May it please you, Mr. Chairman, I represent Mr. Clancy. He has expressed to me his wishes and I have made a formal return which I wish to present to this committee, and have the Chair's ruling on it. This return is signed by Mr. Clancy and is his own individual wishes and his own individual return, and I submit this return to the subpoena [handing document to the chairman], subject to our objections already reserved.

The CHAIRMAN. This, I believe, sets forth the records and the books that Sheriff Clancy has brought pursuant to the subpoena. Is that correct?

Mr. TALBOT. Yes. It reflects a list of stocks which he has in corporations which we contend are his own personal and private papers, and not subject to production. If the Chair rules that they shall be produced then we want it understood as expressed in this formal return that it is over our objection; that they are irrelevant, not pertinent to the issues here, and that they are in violation of Mr. Clancy's constitutional rights.

The CHAIRMAN. All right, Mr. Talbot. The return, with the caption, "Statement No. 1 by Frank J. Clancy" will be made a part of the record at this point.

(The document was marked "Exhibit No. 23," made a part of the record, and is on file with the committee, being in words and figures, as follows, to wit:

#### STATEMENT NO. 1 BY FRANK J. CLANCY

The undersigned witness, in obedience to a subpoena issued by this honorable committee, commanding his presence: "And bring with you all books, records, and supporting documents relating to your income and disbursements from January 1, 1944, to date; all records relating to assets and/or interest in property either real, personal or mixed, or interest in legal entities during the aforesaid period; and copies of Federal income-tax returns during the aforesaid period" hereby states, in return to said subpoena, that he has no records of any corporation in his possession, nor is the undersigned witness, to his knowledge, an officer in any corporation; that the undersigned witness has in his possession certain certificates of stock in the following corporations:

Merchants Trust Bank of Kenner, La., one certificate for \$5,000 worth of stock standing in his name and one in the name of his wife for \$3,000 worth of said stock;

Guaranty Bank & Trust Co. of Gretna, La., \$500 worth of stock. This is a new bank and the certificate for said stock, to witness' knowledge, has not been issued to him;

Long Range Development, Inc., Gretna, La., one certificate for 150 shares of capital stock (actual investment \$1,500) ;

Capital Industries, Inc., Baton Rouge, La., 50 shares of preferred capital stock and 50 shares of no par common ;

Dixie Finance Co., Inc., Metairie, La., 8 shares of capital stock, 6 percent cumulated preferred nonvoting and 16 shares class A voting common stock ;

Metairie Savings Bank & Trust Co., Metairie, La., 50 shares of capital stock ;

First National Bank of Jefferson Parish, La., certain old stock in this bank has been recalled and a new certificate of 125 shares at \$20 per share has been issued to the undersigned witness ;

Tassin Bros., Inc., Kenner, La., 10 shares, defunct.

Continental Building & Loan Association, 20 shares, stock (name of Mrs. Vera W. Clancy and owned by her).

The undersigned witness submits and contends that the foregoing are the only records of any corporation, if such they be, which he possesses. However, the undersigned witness contends that the ownership and control of these stocks and certificates are his personal papers and declines to produce same unless specifically ordered to do so by this committee and then only with the full reservation, and without in any manner waiving his rights and contention that in so doing he is being compelled to give testimony against himself which may incriminate him, in violation of the fourth, fifth, and fourteenth amendments to the United States Constitution and article 1, section 11, of the constitution of the State of Louisiana for the year 1921.

The undersigned witness respectfully declines to produce any personal tax records or documents relating to his income or disbursements; or his records relating to assets and/or interest in property, either real, personal or mixed, or any copies of income-tax returns from January 1, 1944, to date on the grounds that :

First: Said records are not pertinent or relevant to this investigation ;

Second: Said documents and records, etc., may incriminate him and your witness would be compelled to be a witness against himself in violation of the fourth, fifth, and fourteenth amendments to the Constitution of the United States, and article 1, section 11 of the constitution of the State of Louisiana for the year 1921.

(Signed) FRANK J. CLANCY.

The CHAIRMAN. The statement sets forth certain securities which, I take it, Mr. Clancy has brought in, which are described here. The Chair will rule that the committee has a right to subpoena these matters set forth in the subpoena and also in the return to which we will understand that you have made an exception, or an objection, and the objection will be overruled.

Mr. TALBOT. And you are ordering him to produce them ?

The CHAIRMAN. We order him to produce them.

Mr. TALBOT. Despite the objection ?

The CHAIRMAN. That is right.

Mr. TALBOT. Here they are [producing documents].

The CHAIRMAN. I don't know that we actually want them all. We might just give them back to him.

Mr. TALBOT. We would like a receipt for them.

The CHAIRMAN. We will give you a receipt for them. You have the Merchants Trust Bank, of Kenner, La., one certificate for \$5,000. That is one thing that has been handed the committee.

Mr. Kiley, will you come here and let's read them over.

Mr. TALBOT. Here, I will give you a typewritten list. It may facilitate you if you want to give them some publicity.

The CHAIRMAN. Here is the exhibit. Is this description in the typewritten list the same as the one here ?

Mr. TALBOT. Yes, sir ; I have checked it. I wish you would note in this Long Range Development, Inc., 150 shares at \$100 each, which

would ostensibly represent \$15,000, actually only represents a \$1,500 investment.

The CHAIRMAN. Yes. The actual investment of that is listed at \$1,500.

Mr. TALBOT. If you want to keep that in lieu of the stock as the return, I would appreciate it.

The CHAIRMAN. Did you get the stock back?

Mr. TALBOT. Yes, sir; I have checked it. It is there.

The CHAIRMAN. All right. Merchants Trust & Savings Bank, 5,000 and 3,000. In the Long Range Development Co., 150 shares at \$100, but you say that is only \$1,500.

Mr. TALBOT. That is what Mr. Clancy advises me.

Mr. CLANCY. That is correct.

The CHAIRMAN. What is that Long Range Development Co., Inc.?

Mr. CLANCY. That was some property we bought at a sale.

The CHAIRMAN. Is that a real-estate operation?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Capital Industries, Inc., Baton Rouge, 50 shares preferred and 50 no par, \$5,000. What is that?

Mr. CLANCY. That is a stockyard auction of cattle.

The CHAIRMAN. What is the Dixie Finance Co.? Eight hundred dollars and sixteen hundred dollars.

Mr. CLANCY. That is a loan company out in Metairie.

The CHAIRMAN. A loan company?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. What is this Metairie Savings Bank & Trust Co.?

Mr. CLANCY. That is a bank out in Metairie.

The CHAIRMAN. First National Bank of Jefferson, Gretna, \$2,500.

Mr. CLANCY. That is over in Gretna there; the First National Bank.

The CHAIRMAN. What is the Tassin Bros., Inc., Kenner, La.?

Mr. CLANCY. I don't know whether they are in existence any more or not.

The CHAIRMAN. What was it?

Mr. CLANCY. It was a wholesale drug concern; a little concern up there.

The CHAIRMAN. That is for a thousand dollars, I might say.

Then Continental Building & Loan Association, Mrs. Vera W. Clancy. That is in your wife's name?

Mr. CLANCY. That's a homestead here in New Orleans.

The CHAIRMAN. That is \$2,000.

Does that represent all of the books and records—

Mr. CLANCY. All of the corporate interests I have.

The CHAIRMAN. Now, do you have any large real-estate holdings outside of your home that you have any records for?

Mr. TALBOT. I object. Don't answer that.

Mr. CLANCY. I decline to answer that, Senator, on the grounds it may tend to incriminate me.

Mr. TALBOT (after conferring with witness). I will withdraw the objection. What land do you have?

Mr. CLANCY. I have a quitclaim deed to a thousand acres of land. The land is not yet redeemed from the State of Louisiana. I have the right to redeem it under that quitclaim deed.

The CHAIRMAN. Is that in Jefferson Parish?

Mr. CLANCY. Yes, sir.



The CHAIRMAN. What do you mean: a "quitclaim deed"?

Mr. CLANCY. Well, these people lost it at a tax sale.

The CHAIRMAN. You bought it at a tax sale?

Mr. CLANCY. No, sir; I didn't buy it. I bought their right to redeem it.

The CHAIRMAN. I see. Substantially, what is the worth of that?

Mr. CLANCY. Well, I gave them \$20,000 for it.

The CHAIRMAN. And, of course, you own your home. I won't ask you about that.

Mr. CLANCY. Yes, sir.

The CHAIRMAN. And anything else?

Mr. CLANCY. Well, I borrowed the \$20,000 to buy that—

Mr. TALBOT. No, don't.

The CHAIRMAN. To buy the quitclaim deed?

Mr. CLANCY. The quitclaim deed.

The CHAIRMAN. You borrowed \$20,000?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. From one of the banks here?

Mr. CLANCY. From one of the banks.

The CHAIRMAN. With the deed as security, or just borrowed \$20,000?

Mr. CLANCY. No; I borrowed \$20,000 on a note.

The CHAIRMAN. Now, the subpoena called for, if he has them, the production of copies of certain tax returns. Did he bring those in?

Mr. TALBOT. No, sir; that is part of our return which we decline to produce. We take the position that we are not obligated to produce it. It is privileged under the Government regulations themselves. I understand this committee has, by Executive order, access to our income-tax records, but we are not obligated to produce them and we refuse to produce them under our constitutional rights.

The CHAIRMAN. Do you refuse to produce them?

Mr. CLANCY. I decline to produce them under my constitutional rights.

The CHAIRMAN. Well, are you under any investigation, or what is the—

Mr. CLANCY. Not that I know of.

The CHAIRMAN. I mean, why do you fear it might implicate you or of what are you afraid it might incriminate you?

Mr. TALBOT. Just say it involves some Federal or State violations.

The CHAIRMAN. What are you afraid it might incriminate you of?

Mr. CLANCY. Well, it might involve some Federal or State violation.

Mr. TALBOT. You are standing on your rights.

Mr. CLANCY. I am standing on my constitutional rights.

The CHAIRMAN. It is not a matter of—I mean, it must be some real matter that you have in mind, I think, in order to claim the privilege.

Mr. TALBOT. It may involve income taxes.

The CHAIRMAN. What is the matter?

Mr. CLANCY. It may involve income taxes.

The CHAIRMAN. It may involve you with an income-tax investigation. Is that what you are talking about?

Mr. CLANCY. That is right.

The CHAIRMAN. You don't know of any now, do you?

Mr. CLANCY. Not to my knowledge.

Mr. TALBOT. Have you signed any waivers?

Mr. CLANCY. No.

The CHAIRMAN. Now, Mr. Talbot, I will have to ask you not to prompt the witness. You advise with him whenever you want to but while I am asking questions, let's don't—

Mr. TALBOT. You don't intend to deprive the witness of the right to counsel?

The CHAIRMAN. Mr. Talbot, when I was asking questions I could hear, and everybody else could hear that you were suggesting what the witness might answer.

Mr. TALBOT. I am here to protect him and I will be glad to be orderly about it if the Chair wishes.

The CHAIRMAN. Well, Mr. Talbot, we are glad to have you here but you are here as a courtesy of the committee. It is Mr. Clancy that we want to inquire of. He is perfectly able to take care of himself. I believe he is a lawyer himself; aren't you, Sheriff?

Mr. CLANCY. That's right; I don't practice but I finished.

Mr. TALBOT. I would like to observe that the right to have counsel is more than a matter of courtesy; it is a legal right.

The CHAIRMAN. It is a matter of discretion with congressional committees, but we always have allowed full leeway with lawyers. The only thing is, when I am asking a question—

Mr. TALBOT. I will observe that, but I don't want to be curtailed in my right to confer with my client.

The CHAIRMAN. We will not curtail you, but don't you curtail us in our right to ask the witness and let him answer his own questions.

Then it is income-tax investigation or prosecution that you claim your privilege on?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Is that it?

Mr. CLANCY. Yes.

The CHAIRMAN. Well, Sheriff, generally how long have you been sheriff out there?

Mr. CLANCY. Since June 1, 1928.

The CHAIRMAN. Continually since that time?

Mr. CLANCY. What is that?

The CHAIRMAN. All the time since then?

Mr. CLANCY. Continually.

The CHAIRMAN. What did you do before then—practice law?

Mr. CLANCY. Clerk of court for 8 years prior to that.

The CHAIRMAN. Do you have any other business besides being sheriff, aside from your investments here?

Mr. CLANCY. In the cattle business.

The CHAIRMAN. Buying and selling cattle?

Mr. CLANCY. And raising cattle.

The CHAIRMAN. Does that take up much of your time?

Mr. CLANCY. Quite a bit, sir.

The CHAIRMAN. Do you have a farm where you raise cattle?

Mr. CLANCY. I have this land I have the quitclaim deed on that I lease from the State of Louisiana at 25 cents an acre.

The CHAIRMAN. You lease a thousand acres at 25 cents an acre?

Mr. CLANCY. No; I don't lease the whole thousand acres. Other ones that have cattle on there with me lease too.

The CHAIRMAN. But you have part of it.

Mr. CLANCY. I have part of it leased.

The CHAIRMAN. That is the property to which you have a quitclaim deed?

Mr. CLANCY. That I have a quitclaim deed to.

The CHAIRMAN. Now, of course, the question is, and I am sure you will want to tell about it—the evidence is that the Club Forest and the Old Southport, or the New Southport, and Billionaire Club and Bank Club, and the Forest Club, and O'Dwyers—is there an O'Dwyers Club of some kind?

Mr. TALBOT. Don't answer it.

Mr. CLANCY. I decline to answer that question on the grounds it tends to incriminate me.

The CHAIRMAN. Well you haven't even let me finish the question yet, Sheriff.

Mr. CLANCY. I'm sorry, Senator.

The CHAIRMAN. There has been some testimony these clubs operate out in Jefferson Parish and the question is, In the first place, do you know that the clubs are out there? Have you seen them?

Mr. CLANCY. I decline to answer that question on the ground that it may tend to incriminate me.

The CHAIRMAN. Sheriff, I will have to direct you to answer the question as to whether you know they are out there or not.

Mr. CLANCY. I decline to answer that question on the ground that it may tend to incriminate me.

The CHAIRMAN. Well, did you ever hear of the Club Forest?

Mr. CLANCY. I decline to answer that question on the ground it tends to incriminate me.

The CHAIRMAN. Did you ever hear of the Old Southport, in Jefferson Parish?

Mr. CLANCY. I decline to answer that on the same grounds.

The CHAIRMAN. Do you know Henry Mills?

Mr. CLANCY. Yes, sir; I know Henry Mills.

The CHAIRMAN. Do you know whether he operates Club Forest in Jefferson Parish?

Mr. CLANCY. I decline to answer that question on the grounds that it tends to incriminate me.

The CHAIRMAN. Incriminate you of what, Sheriff?

Mr. CLANCY. That's a matter of——

Mr. TALBOT. May I confer?

The CHAIRMAN. Well now, we have a right—it can't be just a fantastic refusal to answer.

Mr. TALBOT. That is correct. There is a great deal of law back of that, as you very well know, Senator, as to how far a man has to go when he stands on his constitutional rights, and I think the law is pretty well settled now that if this witness were before a tribunal, meaning a court, where the court was in a position to determine the remoteness of the incrimination, that the court might determine the question and then instruct the witness to answer. That situation does not obtain here, and we take the position, insofar as this committee is concerned, that this witness is the sole judge as to what his answer will be and that he does not have to give his reasons for refusing to answer.

The CHAIRMAN. Is that the position you take, Sheriff?

Mr. CLANCY. I do, sir.

The CHAIRMAN. Well, I should think, Mr. Talbot, that with all the testimony about these places the sheriff would welcome an invitation to explain what he knows about it.

Mr. TALBOT. That is a matter of position.

The CHAIRMAN. If the sheriff doesn't want to, we will have to get on.

Mr. TALBOT. That is correct.

The CHAIRMAN. All right. Did you ever hear of the Beverly Club?

Mr. CLANCY. I decline to answer that question on the grounds that it may tend to incriminate me.

The CHAIRMAN. Do you know whether the Beverly Club is located in Jefferson Parish or not?

Mr. CLANCY. I decline to answer that question on the grounds that it may tend to incriminate me.

The CHAIRMAN. Have you ever had any business transactions with Phil Kastel?

Mr. CLANCY. I decline to answer that on the ground it would tend to incriminate me.

The CHAIRMAN. Do you know whether or not he is an officer or manager of a club called the Beverly Club in Jefferson Parish, La.?

Mr. CLANCY. I decline to answer that on the ground it would tend to incriminate me.

The CHAIRMAN. Did you ever hear of the Billionaire Club?

Mr. CLANCY. I decline to answer that question on the ground it may tend to incriminate me.

The CHAIRMAN. Do you know who the manager of the Billionaire Club is?

Mr. CLANCY. I decline to answer that on the ground it would tend to incriminate me.

The CHAIRMAN. Do you know whether there is a club right across the street from the sheriff's office, from your office?

Mr. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

The CHAIRMAN. Is the Billionaire Club across the street from your office?

Mr. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

The CHAIRMAN. Do you have a telephone at 117 Huey P. Long Avenue?

Mr. TALBOT. May I have a conference with him just a minute?

The CHAIRMAN. All right; you have a conference with him.

Mr. TALBOT (after conferring). You can answer that. Do you know anything about it?

Mr. CLANCY. I don't know the address of the courthouse. I have a telephone in the courthouse and my house.

The CHAIRMAN. At 117 Huey P. Long Avenue.

Mr. CLANCY. I don't know the number of the courthouse and I don't know where 117 Huey P. Long Avenue is at.

The CHAIRMAN. Well, there seems to be a phone listed to you in the wire-service organization out there, in your name. Do you know about that?

Mr. CLANCY. The only phones listed in my name that I know of, that I have had anything to do with, are in the courthouse and at my home.

The CHAIRMAN. Do you know about this wire service operation in your parish?

Mr. CLANCY. I decline to answer that on the ground that it might tend to incriminate me.

The CHAIRMAN. Let's get the name of it.

Mr. RICE. Daily Sports News. Isn't it true the Daily Sports News is located right across the street from the sheriff's office?

Mr. CLANCY. I decline to answer that.

Mr. RICE. Do you know J. J. Fogarty?

Mr. CLANCY. Yes, I know Fogarty.

Mr. RICE. Do you know what he does?

Mr. CLANCY. I decline to answer that on the ground it might tend to incriminate me.

Mr. RICE. Are you under indictment, Sheriff?

Mr. CLANCY. No.

The CHAIRMAN. No; he said he was not under indictment.

Well, Sheriff, before 1940, did you have any business connections with Mr. Mills? Let's see, which Mr. Mills is that?

Mr. RICE. Henry Mills; in some oil leases.

The CHAIRMAN. Henry Mills, before 1940.

Mr. CLANCY. Oil leases?

The CHAIRMAN. Oil leases, or some other operations.

Mr. CLANCY. I decline to answer that on the ground it tends to incriminate me.

The CHAIRMAN. Well, did you have any operations with Henry Mills in connection with oil leases before 1940?

Mr. CLANCY. Not that I know of.

The CHAIRMAN. Have you had any operations with Henry Mills in connection with oil leases, any business transactions?

Mr. TALBOT (after conferring with witness). The witness does not want to be adamant. He does not know what the Chair is talking about. There was a little St. Mary Oil Co. at one time that folded up. I don't know whether Mills was in that.

Mr. CLANCY. I may have had stock in it; I don't know.

Mr. TALBOT. If he had stock in it: if the Chair will—

The CHAIRMAN. Well, the investigative report which we have shows that Lawrence Luke and Henry Mills—at the time they were running the New Southport, on Monticello Street, in Jefferson Parish—and the sheriff had some oil transactions together. Now, I am inquiring what they were, or if you had any?

Mr. CLANCY. I never had any oil transactions with Luke and Mills.

The CHAIRMAN. You never were in any oil business with them?

Mr. CLANCY. The only oil business I was in was in St. Mary.

Mr. TALBOT. Why? Don't you recall?

Mr. CLANCY. No.

The CHAIRMAN. More than 10 years ago, did you have any business transactions with Henry Mills?

Mr. CLANCY. None that I know of.

The CHAIRMAN. Did you know what the New Southport Club was doing before 1940?

Mr. CLANCY. I decline to answer that on the grounds that it may tend to incriminate me.

The CHAIRMAN. Before 1940?

MR. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

THE CHAIRMAN. Do you know when the Beverly Club started operations?

MR. CLANCY. I decline to answer that on the grounds it may tend to incriminate me.

THE CHAIRMAN. Have you heard when it started operations?

MR. CLANCY. I decline to answer that on the grounds it may tend to incriminate me.

THE CHAIRMAN. Where is the Bank Club? Do you know anything about the Bank Club?

MR. CLANCY. I decline to answer that on the grounds it would tend to incriminate me.

THE CHAIRMAN. Did you ever hear of the Bank Club?

MR. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

THE CHAIRMAN. Do you know where the White Horse Inn is?

MR. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

THE CHAIRMAN. Did you ever hear of the White Horse Inn?

MR. CLANCY. I decline to answer that on the ground it may tend to incriminate me.

THE CHAIRMAN. Now, counsel and Mr. Clancy, can it be agreed and understood that when he declines to answer these questions, that the chairman has ordered him to answer, he refuses to follow the direction of the Chair?

MR. TALBOT. That is perfectly agreeable. It is likewise to be noted that any refusal is based on his constitutional rights.

THE CHAIRMAN. That he refuses to answer on the grounds that it might tend to incriminate him.

MR. TALBOT. Right.

THE CHAIRMAN. Do you understand that, Sheriff?

MR. CLANCY. That's right, sir.

THE CHAIRMAN. All these questions that I have asked you, which you have refused to answer, you have been ordered to answer and you refuse to follow the direction of the Chair?

MR. CLANCY. That is correct, sir.

THE CHAIRMAN. Do you know whether there are any slot machine operations in Jefferson Parish or not?

MR. CLANCY. That I decline to answer on the ground that it may tend to incriminate me.

THE CHAIRMAN. Were any slot machines operating prior to 1940, in Jefferson Parish?

MR. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

THE CHAIRMAN. Have you ever heard whether any slot machines were operating prior to 1940?

MR. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

THE CHAIRMAN. Do you own any slot machines?

MR. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

THE CHAIRMAN. Prior to 1940 did you own any slot machines?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Are there any bookie operations going on in Jefferson Parish?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Were any going on prior to 1940?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Did you ever hear that any went on prior to 1940 in Jefferson Parish?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. How about dice games? Did you ever hear that any dice games went on?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Well, Sheriff, do you know Deputy Sheriff Cassagne?

Mr. CLANCY. I do.

The CHAIRMAN. Do you have a deputy sheriff by the name of Cassagne?

Mr. CLANCY. I do.

The CHAIRMAN. What is his first name?

Mr. CLANCY. Paul.

The CHAIRMAN. Did you ever have any transaction with him with reference to Club Forest?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Did you ever receive any money from Cassagne?

Mr. CLANCY. That I decline to answer on the grounds——

Mr. TALBOT. Wait a minute; let him finish.

The CHAIRMAN. That is answer enough: Did you ever receive any money from Cassagne?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. What are Cassagne's duties?

Mr. CLANCY. Regular deputy's duties.

The CHAIRMAN. Do you know whether he spends some of his time in Club Forest?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Did you ever receive any money from him that came from any of these clubs?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Prior to 1940 did you ever receive any money from him that came from any of these clubs?

Mr. CLANCY. That I decline to answer on the grounds that it would tend to incriminate me.

The CHAIRMAN. Was he a deputy prior to 1940?

Mr. CLANCY. He was.

The CHAIRMAN. Was Cy Ernst a deputy?

Mr. CLANCY. He is one of our night patrolmen.

The CHAIRMAN. Do you know whether he has done any work for Phil Kastel?

Mr. CLANCY. That I decline to answer.

The CHAIRMAN. Did you ever have him do any special duties for Phil Kastel?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Is it part of his duty to drive him home occasionally?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Well, we don't seem to be getting along very well here.

Mr. TALBOT. No, sir.

The CHAIRMAN. How about this fellow, Roth? Is he one of your deputies?

Mr. CLANCY. No, sir; he is not.

The CHAIRMAN. He never has been?

Mr. CLANCY. Never has been.

The CHAIRMAN. Is that Roth [spelling] R-o-t-h?

You don't have a deputy and didn't have one, by the name of Roth?

Mr. CLANCY. Never have had.

The CHAIRMAN. Does Ernst work with some other deputy?

Mr. CLANCY. I think he patrols with Frank Probst.

The CHAIRMAN. Do you know whether he has anything to do with any of the clubs, doing any of the work at any of the clubs?

Mr. CLANCY. That I decline to answer. It might tend to incriminate me.

The CHAIRMAN. Have you recommended any people for work in any of these clubs?

Mr. CLANCY. That I decline to answer; it would tend to incriminate me.

The CHAIRMAN. Did you specifically say that you had put 2,000, or over a thousand, people to work in some of these clubs?

Mr. CLANCY. That I decline to answer on the grounds that it would tend to incriminate me.

The CHAIRMAN. Do you make any effort to enforce the antigambling law in Jefferson Parish?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Any effort whatsoever?

Mr. CLANCY. That I decline to answer on the ground that it would tend to incriminate me.

The CHAIRMAN. Prior to 1940 did you make any effort to enforce the gambling laws?

Mr. CLANCY. That I decline to answer on the ground it would tend to incriminate me.

The CHAIRMAN. Did you take an oath of office when you were sworn in as sheriff?

Mr. CLANCY. I did.

The CHAIRMAN. Is gambling against the law in Jefferson Parish?

Mr. CLANCY. That I decline to answer on the grounds that it would tend to incriminate me.



The CHAIRMAN. Was the oath that you took, to uphold the laws of the State of Louisiana?

Mr. CLANCY. That is right.

The CHAIRMAN. How many Mills boys do you know? How many brothers does Henry Mills have?

Mr. CLANCY. I don't know how many brothers he's got.

The CHAIRMAN. Several of them, aren't there? Two or three?

Mr. CLANCY. I think there are three or four.

The CHAIRMAN. Have you had any business relations with any of them?

Mr. CLANCY. None that I know of.

The CHAIRMAN. Do you know Osmond Litolff?

Mr. CLANCY. I do.

The CHAIRMAN. Have you ever had any business operations with him?

Mr. CLANCY. None that I know of.

The CHAIRMAN. Do any lottery operations take place in Jefferson Parish?

Mr. CLANCY. That I decline to answer on the grounds that it may tend to incriminate me.

The CHAIRMAN. Sheriff, do you know Frank Costello?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. You never have met him?

Mr. CLANCY. Never met him, and never seen him.

The CHAIRMAN. Do you have any interest in any coin machine company?

Mr. CLANCY. No, sir.

The CHAIRMAN. Did you ever receive any money from any slot-machine or coin-machine company?

Mr. CLANCY. That I decline to answer on the ground that it may tend to incriminate me.

The CHAIRMAN. Now, there was a suit brought to padlock certain clubs about 4 years ago out in Jefferson Parish, wasn't there, about which some lawyer here this morning has testified?

Mr. CLANCY. That is right. There was a suit filed.

The CHAIRMAN. Do you know anything about anything being offered this lawyer James I. McCain or the people to lay off the suit?

Mr. CLANCY. I don't know the first thing about that.

The CHAIRMAN. You don't know anything about it?

Mr. CLANCY. No.

Mr. CHAIRMAN. Do you know anything about some offer to a minister for money to build a Sunday school in the event he would withdraw his prosecution of this suit?

Mr. CLANCY. I don't know anything about that.

The CHAIRMAN. Now, what business do you have with the Truckers Ice & Cold Storage Co., or did you have?

Mr. CLANCY. My wife had an interest in there. She inherited it from her father.

The CHAIRMAN. Is that operated in Jefferson Parish?

Mr. CLANCY. In Kenner.

The CHAIRMAN. What sort of ice was that that this company handled?

Mr. CLANCY. Real ice.

The CHAIRMAN. You seem to know something about real ice, and by your use of the adjective—

Mr. CLANCY. I heard that expression before.

The CHAIRMAN. "Other ice." What other kind of ice are you talking about, Sheriff?

Mr. CLANCY. Well, that I decline to answer.

The CHAIRMAN. You decline to answer?

Mr. CLANCY. That is right. I don't know; I just heard that expression.

The CHAIRMAN. Prior to 1940 did you hear about some other kind of ice besides real ice?

Mr. CLANCY. No, sir. I heard it here yesterday for the first time.

The CHAIRMAN. That is the first time you have heard that?

Mr. CLANCY. That's right.

The CHAIRMAN. Did you ever get any of this other sort of ice?

Mr. CLANCY. That I decline to answer, Senator, on the ground it would tend to incriminate me.

The CHAIRMAN. We are not talking about the cold ice, now, that this storage and ice company would make. We are talking about ice that might be used to give to people for some kind of protection. Did you ever get any of that sort of "ice"?

Mr. CLANCY. That I decline to answer on the ground it may tend to incriminate me.

Mr. RICE. Senator Tobey calls that "the purchase of official tolerance."

The CHAIRMAN. Well, Sheriff, it is a sad commentary that the sheriff of a great parish out here can't tell what you are doing to enforce the laws. Of all the people that such a question should not tend to incriminate ought to be the sheriff of the parish.

Mr. TALBOT. Well, that is a matter of legal position, Mr. Chairman.

The CHAIRMAN. That's right.

Mr. TALBOT. We would not like to have that comment on the record.

The CHAIRMAN. The sheriff looks like a very affable sort of fellow.

Mr. TALBOT. He is a fine man. Everybody in Jefferson Parish thought so for about 28 years.

The CHAIRMAN. All right, Mr. Clancy.

Mr. TALBOT. Are you going to have Mr. Cassange next?

The CHAIRMAN. All right, Sheriff; we will have to take this matter up with the committee. I regret that is true.

Mr. CLANCY. That is right.

The CHAIRMAN. I am sure you realize you cannot get by with this sort of testimony.

Mr. TALBOT. We will take that up and meet it when it comes.

The CHAIRMAN. You will remain under subpoena, but we will either notify you or your attorney when to come back.

(Witness excused.)

#### TESTIMONY OF THOMAS EDWARD McGUIRE, AGENT IN CHARGE, BUREAU OF NARCOTICS, NEW ORLEANS, LA.

The CHAIRMAN. Your name is Thomas McGuire?

Mr. McGUIRE. That is correct, Senator.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. McGUIRE. I do.

The CHAIRMAN. Are you the agent in charge of the Bureau of Narcotics at New Orleans?

Mr. McGUIRE. Yes, sir; I am.

The CHAIRMAN. What is your general district here, Mr. McGuire?

Mr. McGUIRE. The entire State of Louisiana.

The CHAIRMAN. Do you also have some connection with operations in Mississippi or Texas or other States?

Mr. McGUIRE. I have been handling the Gulf coast, the territory commonly called the Gulf coast, out of this office.

The CHAIRMAN. And you are the agent in charge?

Mr. McGUIRE. Yes, sir; of this particular area. However, I am subject to the area in Houston, Tex., where the main office is; the district supervisor of narcotics is in Houston, Tex. That includes this particular area.

The CHAIRMAN. Who is the district supervisor?

Mr. McGUIRE. Mr. James C. Ryan.

The CHAIRMAN. How long have you been with the Bureau of Narcotics, Mr. McGuire?

Mr. McGUIRE. For the past 23 years.

The CHAIRMAN. You have been stationed in various parts of the United States?

Mr. McGUIRE. Yes, sir; I have.

The CHAIRMAN. San Francisco, New York?

Mr. McGUIRE. That is correct.

The CHAIRMAN. What other places?

Mr. McGUIRE. St. Louis, Kansas City, Florida, Georgia, and the eastern seaboard.

The CHAIRMAN. Any seaport city, I suppose, has some narcotic problem insofar as being a port of entry is concerned?

Mr. McGUIRE. That is correct, Senator.

The CHAIRMAN. What do you find the situation to be in this general section, in the Louisiana section? Is there a narcotics problem?

Mr. McGUIRE. We have the problems comparable to other areas of seaport activities, as you mentioned, but this area here, I would say, is just about on a par with the others.

The CHAIRMAN. So New Orleans is about comparable with operations in any similar sized port doing this kind of business?

Mr. McGUIRE. That is correct.

Mr. RICE. Where does the heroin or morphine come from that comes to New Orleans?

Mr. McCLURE. The bulk of the heroin we find is coming from what we call district No. 2. That is the New York area. It arrives in that city and is shipped here.

The CHAIRMAN. How it is brought here, usually?

Mr. McGUIRE. Usually by common carrier; by individuals who use the ordinary means of transportation, preferably the airplane, and, of course, private conveyances.

The CHAIRMAN. What is the cost price of heroin in New Orleans today?

Mr. McGUIRE. The latest price, Senator, has been quoted about \$300 an ounce. That is a little higher than it has been up to the past month.

The CHAIRMAN. And in New York, if it comes from there, the price would be a little lower? Is that it?

Mr. MCGUIRE. Oh, yes, sir.

The CHAIRMAN. And the further away from the port of entry, or the place of entry, the higher the price?

Mr. MCGUIRE. The price. That is correct.

The CHAIRMAN. Now, you have got a marijuana problem here; haven't you?

Mr. MCGUIRE. Yes, sir; that is quite a problem here, Senator.

The CHAIRMAN. Is that one of your major problems?

Mr. MCGUIRE. I would say it was a little heavier than it should be, or that we care to have it at the present time. We are trying to correct that condition.

The CHAIRMAN. Where does the marijuana come from?

Mr. MCGUIRE. Within the past 5 or 6 weeks we have ascertained that the source of the largest amount of marijuana that we had came from the Mexican border, from the way of Texas, from Galveston and Laredo, Tex.

The CHAIRMAN. Does it come over land, by ship, or both ways?

Mr. MCGUIRE. In the instant that I am recalling, it came by automobile, by a person driving an automobile here in the city, into New Orleans.

The CHAIRMAN. Now, there is a good deal of marijuana and other sorts of narcotics that come in by boat in the New York harbor?

Mr. MCGUIRE. Into the New York harbor; yes, sir.

The CHAIRMAN. I mean in the New Orleans harbor.

Mr. MCGUIRE. In the New Orleans harbor, yes; spasmodically the arrival of small amounts, but it is not on the scale that it is in New York. It isn't a steady stream. It comes at different times, and different ways and different boats; no organized method, actually.

The CHAIRMAN. Now, I don't want you, of course, to give any information that is going to interfere with your work or to give any names that you are investigating, although in executive talks you have given some information, but can you tell us anything about the type or the people who handle narcotics in this section?

Mr. MCGUIRE. Well, this section, Senator, is probably about the same as the usual sections of all addicts. They deal with the usual racketeer-type person, and when the man that is handling narcotics has not confined himself to any one particular form of racketeering, it could be any of the major forms of racketeering.

The CHAIRMAN. You mean you find that people who are in racketeering, generally, are also the people you are looking for in connection with narcotics?

Mr. MCGUIRE. That is correct, Senator.

The CHAIRMAN. And what places do you usually look for peddlers and operators?

Mr. MCGUIRE. Well, it's been my experience, any place that is more or less open, or a community that tolerates houses of prostitution, gambling, or any like condition, would be a perfect field for peddlers of narcotics. The gambling element many times have the narcotic peddlers itself as a result of their peddling. They use the games of gamble and games of chance, or either for their own pleasures or for their own profits.

The CHAIRMAN. You mean around places where other sorts of illegal activities are going on, that is where you also find narcotics?

Mr. McGUIRE. Find narcotics, yes, sir.

The CHAIRMAN. Among the characters of the people who are engaged in the other type of things that is also where you find your narcotics?

Mr. McGUIRE. That is quite correct, sir.

The CHAIRMAN. Do you find that narcotic operations from here extend into the other parts of the United States?

Mr. McGUIRE. Since I have been here, which is limited, Senator, I have had at least one occasion of which a man came from the west coast to this city in an effort to purchase a supply of narcotics, and left here. It was a matter of convenience. He was acquainted here, had been run out of this particular section and was operating in the lower part of California. He returned, hoping to come into the city and secure a supply of narcotics and leave. That is one case that I can speak of of my own knowledge. I arrested the man at the airport. But there are other cases, of course, of the surrounding—

The CHAIRMAN. You had a man who was deported here recently. What was his name? Carollo?

Mr. McGUIRE. Sam Carollo. Yes, sir.

The CHAIRMAN. Did he operate in Kansas City or in other cities, also?

Mr. McGUIRE. I have no personal knowledge of him in Kansas City. However, I did arrest the man here, in New Orleans, in the years gone by, and the files reflect his activities with and around the different types, of the same type characters in Kansas City where I did work. There was a definite connection, and there are friends of Sam Carollo here that have been in Kansas City that have worked on, and the men from Kansas City have been down in New Orleans within the last couple of months.

The CHAIRMAN. I know that all types of people of all nationalities, some of the more depraved ones, do deal in narcotics, but do you find in this section, and generally, that there is a particular type of person, and can you designate the type of person that you most usually find in narcotics?

Mr. McGUIRE. Well, the general term and the general category which they fall into, of course, is unlimited, but in the particular phase of it that is causing quite a good bit of investigation work at the present time is the so-called Mafia element. That's the poorer class of the lower peninsula of the Italian Peninsula.

The CHAIRMAN. What is the so-called Mafia element? How do they operate?

Mr. McGUIRE. It is a closely knit association: Originally, I have been told, the history of it deals with the fact that it was originally a law-enforcement group. However, it degenerated down into a group of bandits that banded together and for a mutual consent of one another, and mutual profit, they have caused a great deal of fear in the numbers of people and they passed this on in a very tightly knit organization in which they deal among themselves with very limited outlets; making it a difficult problem to get into the very core of the organization.

The CHAIRMAN. You have seen some of the—you have been here during our hearings; haven't you?

Mr. McGUIRE. Yes, sir; I have.

The CHAIRMAN. And you have given us a great deal of assistance. Have you seen some of the Mafia-type people before this committee since we have been in New Orleans?

Mr. McGUIRE. I'll have to admit I have.

The CHAIRMAN. Some of these people, or any of them without specifying names, do you have information that they are engaged in narcotic trade or dope trade?

Mr. McGUIRE. I would say that our files reflect the fact that they have, and I know of my own knowledge that there is quite considerable investigation has been made on some of the people that have appeared before you, Senator.

The CHAIRMAN. Anything else you can give us that will be of help, Mr. McGuire?

Mr. McGUIRE. No, sir; I think that covers the field quite satisfactorily. I know you are limited on time. Thank you Senator.

(Witness excused.)

**FURTHER TESTIMONY OF PHILIP FRANK KASTEL, METAIRIE, NEW ORLEANS, LA., ACCOMPANIED BY JAMES O'CONNOR, JR., ATTORNEY, NEW ORLEANS, LA.**

(Mr. Kastel was previously sworn by the chairman.)

Mr. RICE. We had a few loose ends we left last night.

One of them was the identity of the officers of the Beverly Club at this time. Do you now know the names of these people?

Mr. KASTEL. They are in the book; in the minute book.

The CHAIRMAN. Read them out and ask if they are the ones.

Mr. O'CONNOR. I made the arrangement with Mr. [Ralph] Mills, Senator, that he would read them out and we would admit they are.

Mr. RICE. Is this taken from the minute book? The arrangement you made with Mr. Mills?

Mr. O'CONNOR. Yes, sir; he has the books there.

Mr. RICE. All right, sir. Are these the officers? Phil Kastel, president?

Mr. KASTEL. Yes.

Mr. RICE. Norma Murphy, acting secretary and treasurer?

Mr. KASTEL. That is correct.

Mr. RICE. Who is the real secretary and treasurer?

Mr. KASTEL. I think you will find it in the minute book.

Mr. O'CONNOR. I explained that to Mr. [Ralph] Mills; I thought I would save you time.

The CHAIRMAN. All right. Let's read them all off and ask him.

Mr. O'CONNOR. Do you want me to read this too? It will be the same as Mr. Kastel testifying; or he will read them out to you.

The CHAIRMAN. Just let him read them out; who the officers are. (Witness and counsel confer.)

The CHAIRMAN. Let's get on with it.

Mr. RICE. Who is the secretary and treasurer?

Mr. KASTEL. Miss Norma Murphy is the acting secretary.

Mr. RICE. Yes.

Mr. KASTEL. Mr. Charles Murphy is the assistant secretary.

Mr. RICE. Is he the accountant?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now then, who is Miss Murphy acting for?

Mr. O'CONNOR. Edward Rinderle.

Mr. KASTEL. The original incorporators.

The CHAIRMAN. Edward Rinderle. Was he the secretary and treasurer before this Miss Murphy became the acting secretary and treasurer?

Mr. O'CONNOR. That is what is reflected here; sir.

The CHAIRMAN. Well, Mr. Kastel, who is she acting for? Who is the real secretary and treasurer?

Mr. KASTEL. Well the incorporation—when they incorporate, as you well know, they may use some people in their own office in order to incorporate. I never looked at these minutes for a long time. Miss Murphy is acting secretary, I believe, in place of this secretary here. I am trying to see whether there is a resignation here [examining book].

Mr. O'CONNOR. Rinderle resigned.

Mr. KASTEL. Miss Murphy is acting secretary.

Mr. RICE. Do you know who Rinderle is?

Mr. KASTEL. No, sir; I do not.

Mr. RICE. Were you an officer at the time Rinderle was there?

Mr. KASTEL. Yes.

Mr. RICE. But you don't know who he is?

Mr. KASTEL. I don't know who he is. I believe he is out of the attorney's office.

Mr. O'CONNOR. No; Murphy's.

Mr. KASTEL. Murphy's office.

Mr. RICE. Oh, Mr. Murphy's office?

Mr. KASTEL. I believe so.

Mr. RICE. All right. So who are the members of the board of directors?

The CHAIRMAN. Read them off.

Mr. O'CONNOR. At the present time—go ahead; excuse me. I can't testify.

The CHAIRMAN. All right. Who is it?

Mr. O'CONNOR. Mr. Kastel, Miss Murphy, and Magee.

Mr. KASTEL. Miss Norma Murphy, myself, and Mr. Eugene Magee.

Mr. RICE. Mr. Eugene Magee.

Mr. KASTEL. Yes, sir.

Mr. RICE. Is he a stockholder?

Mr. KASTEL. It isn't necessary to be a stockholder to be a director.

Mr. RICE. I didn't ask you that. I asked you whether he is a stockholder.

Mr. KASTEL. No, sir.

Mr. RICE. Who is Eugene Magee?

Mr. KASTEL. (No response.)

Mr. RICE. Wasn't he formerly practicing law in New York?

Mr. KASTEL. Yes, sir.

Mr. RICE. Is he down here now?

Mr. KASTEL. He is down here now; yes.

Mr. RICE. Do you know where he lives?

Mr. KASTEL. I believe at the present he is living in Shreveport.

Mr. RICE. Shreveport?

Mr. KASTEL. Yes.

Mr. RICE. He is now a member of the board of directors at Beverly. Is that correct?

Mr. KASTEL. That is correct, according to the records.

Mr. RICE. According to you what is he?

Mr. KASTEL. I have to check it.

Mr. RICE. Aren't you a member of the board of directors?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir. Now then, last night we had a question about the checks—

The CHAIRMAN. Before you leave this board of directors: This Eugene Magee—have you had a directors' meeting at which he has been present?

Mr. KASTEL. He has been there.

The CHAIRMAN. How did he get in, coming from New York?

Mr. KASTEL. He has lived here for some time, Senator.

The CHAIRMAN. I know, but how does he get to be a member of the board of directors without any stock? Did you choose him?

Mr. KASTEL. Yes, I believe I choosed him; yes.

The CHAIRMAN. Or did somebody else choose him.

Mr. KASTEL. No, I believe I did.

Mr. RICE. Is Mr. Magee a member of the bar of Louisiana?

Mr. KASTEL. I don't know.

Mr. RICE. Is he a member of the bar in New York?

Mr. KASTEL. I don't know.

Mr. RICE. Isn't it a fact he was disbarred in New York?

Mr. KASTEL. I don't know.

Mr. RICE. Are you sure about that?

Mr. KASTEL. (No response.)

The CHAIRMAN. Well, Mr. Kastel, is he the man? Was he down here when you had this lawsuit with the Government and although he was not an attorney of record he more or less helped around with that big income-tax lawsuit you and Frank Costello had?

Mr. KASTEL. Yes, Senator; he acted as sort of an investigator, and adviser.

The CHAIRMAN. He came down as an investigator. The fact is, Costello brought him down, didn't he?

Mr. KASTEL. I couldn't say whether Mr. Costello brought him down.

The CHAIRMAN. You didn't bring him down, did you?

Mr. KASTEL. I believe I did.

The CHAIRMAN. But he came down at the time that you had that big lawsuit back in 1939 and 1940?

Mr. KASTEL. He came down, I believe, before that.

The CHAIRMAN. But he came down for the purpose of assisting or investigating in connection with the defense of that lawsuit?

Mr. KASTEL. He was here at the time. He lived here at the time.

The CHAIRMAN. But you knew him in New York?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. You knew him as a lawyer in New York?

Mr. KASTEL. I knew him as a lawyer; yes.

The CHAIRMAN. He sort of took direction of that lawsuit down here, didn't he?



Mr. KASTEL. He advised.

The CHAIRMAN. He was rather the brains of the legal staff?

Mr. KASTEL. I wouldn't say that.

The CHAIRMAN. Who were your attorneys of record?

Mr. KASTEL. Albert Koorie handled part of it; Mr. Hugh Wilkinson was also an attorney.

The CHAIRMAN. All right. Excuse me, Mr. Rice.

Mr. RICE. Now, again I invite your attention to check No. 8148 dated October 28, 1949, in the amount of \$3,468.80, to Frank Costello. Do you now know the reasons for the drawing of this check on the club?

Mr. KASTEL. That is for salary for the months of June, July, August, and September of 1949, less the deductions.

Mr. RICE. That is 4 months, less the deductions?

Mr. KASTEL. Yes, sir. Totaling \$3,468.80.

Mr. RICE. That is a thousand dollars a month; four thousand, less deductions—

Mr. KASTEL. That's right.

Mr. RICE. Due Frank Costello. And what was that for?

Mr. KASTEL. Salary.

Mr. RICE. And what was his job, again?

Mr. KASTEL. Doing good-will work.

Mr. RICE. He was your good-will ambassador?

Mr. KASTEL. I wouldn't say about the ambassador part, but he was doing good-will work, and looking after and advising on entertainment.

Mr. RICE. Would it be fair to say that your good-will ambassador is sometimes known as the crown prince of the underworld?

Mr. O'CONNOR. I object to that.

Mr. KASTEL. I couldn't say.

The CHAIRMAN. All right.

Mr. RICE. Now, sir, I show you a check dated February 1, 1950, in the sum of \$2,250 drawn to I. George Goldstein & Co., 744 Broad Street, Newark, N. J., signed by Philip Kastel for the Beverly, and ask you if you know for what purpose that check was drawn?

Mr. KASTEL. I will have to get the books.

The CHAIRMAN. That is the Mr. Goldstein who kept books for Meyer Lansky, I believe.

Mr. KASTEL. I believe he sent a bill for some work that he had done. I believe that is the last payment that he has received.

Mr. RICE. Now, sir, what work was he doing for you in 1950?

(Witness examines records.)

Mr. RICE. Well, sir, can you tell us from independent recollection what Goldstein was doing in 1950? Meyer Lansky left there in 1948, if I remember your former testimony.

Mr. KASTEL. He continued on for a while, I believe. He continued on for a while and sent us a bill.

Mr. RICE. He continued on doing what?

Mr. KASTEL. Continued looking at the records and advising as to overhead. He had had some experience in other establishments, and it was just—

Mr. RICE. Wait a minute. He had experience in what other establishments?

Mr. KASTEL. He said he had experience in other establishments, other restaurants, hotels that he was handling.

Mr. RICE. Casinos?

Mr. KASTEL. I don't know about casinos.

Mr. RICE. In Florida?

Mr. KASTEL. I don't know.

Mr. RICE. Plantation, Boheme, Colonial—did he mention any of those? Greenacres?

Mr. KASTEL. I do not know, sir.

Mr. RICE. He was advising you, and what else?

Mr. KASTEL. Advising about overhead.

Mr. RICE. So that he was, at that time, rendering some sort of service to the Beverly, or to yourself rather than to Meyer Lansky. Is that correct?

Mr. KASTEL. Well, he was in there originally through Mr. Lansky, and finally, why, this check ended his engagement and paid him off in full.

Mr. RICE. This was the last work he did?

Mr. KASTEL. I believe so.

Mr. RICE. This was the last work?

Mr. KASTEL. I believe so. I believe he sent the bill in; we paid it.

Mr. RICE. I believe I asked you last night if you could account for his having had financial statements subsequent to the date of that check, in his New Jersey office, from the Beverly. Can you account for that?

Mr. KASTEL. Well, instructions were given that he receive statements while he was acting for Mr. Lansky, and they apparently were continued until I gave him instructions to stop them.

Mr. RICE. Have you ever given instructions to stop them?

Mr. KASTEL. I believe I did; yes.

Mr. RICE. Can you fix the time, approximately?

Mr. KASTEL. I could not fix the time unless I saw the records. It may be this time or may be a little before, or a little after.

Mr. RICE. Now, sir, I show you check No. 9357, dated March 16, 1950, in the sum of \$647 drawn in favor of B. C. Wills & Co., 666 East Columbia Street, Detroit, over your signature. Can you tell me the purpose of that check? [Handing document to witness.]

Mr. KASTEL. I would have to see the invoice.

Mr. RICE. Do you know what business the Wills & Co. is in?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Doesn't the Wills company manufacture and sell dice tables and other gambling paraphernalia?

Mr. KASTEL. I refuse to answer that question on the same grounds.

Mr. RICE. All right, sir. Can you look up in your invoices and see what your records show was the reason for drawing that check? Can you do that, sir?

Mr. KASTEL. Can I?

Mr. RICE. Yes.

Mr. KASTEL. You have the books; you have the records.

Mr. RICE. You have the records down there.

Mr. O'CONNOR. They don't run that high (referring to invoice documents on witness table.)

Mr. RALPH MILLS. That is all he brought in.

Mr. O'CONNOR. That is all you told me to bring in.

Mr. RICE. Do you know the reason for drawing that check from your independent recollection?

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. RICE. Haven't you written a number of checks to that company?

Mr. KASTEL. I refuse to answer the question on the ground that it may tend to incriminate me.

Mr. RICE. Have you ever transacted any business with that company?

Mr. KASTEL. I refuse to answer that question on the ground that it may tend to incriminate me.

The CHAIRMAN. Well, Mr. Kastel, this is a company up in Detroit, Mich. B. C. Wills & Co. Did you ever hear of the company?

Mr. KASTEL. Do I have to answer that question, Senator?

The CHAIRMAN. Well, I am asking you. I think we ought to know what this is about.

Mr. KASTEL. I decline to answer that question.

Mr. RICE. Now, sir, here is a check, No. 813, dated March 22, 1946, payable to the order of Cudney & Co., in the amount of \$8,959.34. I wonder if you can tell us what Cudney & Co. is, in Chicago? Tell us what was the reason for drawing that check [handing document to witness].

Mr. KASTEL. It must be in payment of a bill for supplies.

Mr. RICE. What sort of supplies?

Mr. KASTEL. Meat supplies.

Mr. RICE. Now, you remember that all right, don't you, back in 1946.

Mr. KASTEL. I know the name.

Mr. RICE. Does that help to refresh your recollection on Wills & Co. now?

Mr. O'CONNOR. Let me pardon you at that. He didn't say he didn't remember on Wills. I don't believe he put it on that ground, if I am not mistaken, sir.

Mr. RICE. Let's get it straight, then. You do know what the reason for the Wills & Co. check was?

Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. Now, sir, I show you check No. 8196, drawn November 9, 1949, in the sum of \$100, payable to the Twenty-fourth Ward Democratic Organization, 3726 West Roosevelt Road, Chicago, Ill., over your signature for the Beverly Country Club. Can you tell us what was the reason for drawing that check?

Mr. KASTEL. That was for an advertisement, I believe.

Mr. RICE. That was for what?

Mr. KASTEL. An ad.

Mr. RICE. What type of an ad?

Mr. KASTEL. An ad in a booklet.

Mr. RICE. In what booklet?

Mr. KASTEL. In connection with this organization.

Mr. RICE. What type of booklet? What was the booklet about?

Mr. CHAIRMAN. Well, who solicited you for that hundred dollars?

Mr. KASTEL. I believe I was solicited through the mail, by someone that I knew.

The CHAIRMAN. Do you know a fellow named Elrod?

Mr. KASTEL. Yes, sir; I do.

The CHAIRMAN. Do you know whether he was the one that solicited you?

Mr. KASTEL. No, sir; he was not the one that solicited it.

The CHAIRMAN. I believe that the twenty-fourth ward is his ward. That's the reason I was asking you.

Mr. KASTEL. That is possible, Senator. I know Commissioner Elrod.

The CHAIRMAN. Do you make other contributions advertisements like that? Is this a contribution or an advertisement? Do you know?

Mr. KASTEL. This was for an ad, for an ad in a booklet.

The CHAIRMAN. Do you do that generally for political parties that get out booklets?

Mr. KASTEL. Not necessarily for political parties, Senator. As they come up if we think they have enough circulation, why, we might do it.

The CHAIRMAN. You mean it is purely on a commercial basis then?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. You haven't any political feeling about it? Are you trying to help a political party?

Mr. KASTEL. I have no political interests there in Chicago at all.

Mr. RICE. How much a year do you think you put into political booklets and things of that sort?

Mr. KASTEL. Not very much, Senator.

The CHAIRMAN. Do you make political contributions out of the Beverly Country Club?

Mr. KASTEL. No, sir.

Mr. RICE. Do any customers ever come into the place and say they have read your ad in the twenty-fourth ward booklet and for that reason came to the club?

Mr. KASTEL. I couldn't answer that question.

Mr. RICE. Now, I show you check No. 8308, dated November 16, 1949, in the amount of \$600 drawn in favor of the Munholland Memorial Church recreation center, over your signature, and ask you if you know for what purpose that check was drawn?

Mr. KASTEL. I believe that was solicited by one of the ministers.

Mr. RICE. Reverend Dawson?

Mr. KASTEL. I couldn't say.

Mr. RICE. Do you know Reverend Dawson?

Mr. KASTEL. I would know him if I saw him.

Mr. RICE. You would know him if you saw him?

Mr. KASTEL. I say, I would know him if I saw him.

Mr. RICE. Is it possible that is Reverend Dawson's recreational center there?

Mr. KASTEL. I couldn't say.

The CHAIRMAN. Reverend Dawson said he had never personally solicited it but he thought the church had received some.

Mr. RICE. I think he said that the sheriff had gone out and done a little voluntary soliciting for him. Would that refresh your recollection of it? The sheriff brought it over to his office.

Mr. KASTEL. Somebody solicited me; told me it was for a good cause.

Mr. RICE. Could it have been Clancy?

Mr. KASTEL. No, sir.

The CHAIRMAN. All right; let's get on please.

Anything else?

Mr. RICE. Now here is a check, No. 9939, dated June 6, 1950, for \$14.40, to the Cipango Club at Galveston, Tex. Do you know what that is for?

Mr. KASTEL. That is for dues, I believe.

Mr. RICE. That is what?

Mr. KASTEL. For dues, and membership in the Cipango Club.

Mr. RICE. What type of club is that?

Mr. KASTEL. It is a restaurant, a private club.

Mr. RICE. And who is the member of the club? Is Beverly Club the member of the Cipango Club?

Mr. KASTEL. No; the membership is in my name. I believe I authorized this check and told them to charge it to me personally.

Mr. RICE. So that you are a member of the Cipango Club?

Mr. KASTEL. Yes, sir.

Mr. RICE. All right, sir. In checking telephone calls, toll calls, person to person, from your home phone we find that on July 18, 1949, you called Lenor Josie at Capital 6223, Houston, Tex. Can you tell us what transaction you had with Josie?

Mr. KASTEL. I refuse to answer that question on the ground that it is private.

Mr. RICE. Do you know Lenor Josie?

Mr. KASTEL. Yes, sir.

Mr. RICE. On April 10, 1950, you placed a call to Artie Samish, at 2400, Hot Springs, Ark. Phone 2400. That is the Arlington up there, is it not?

Mr. KASTEL. I believe it is.

Mr. RICE. Who is Artie Samish?

Mr. KASTEL. A friend of mine.

Mr. RICE. What transaction did you discuss on April 10?

Mr. KASTEL. No transaction.

Mr. RICE. What was the nature of the conversation?

Mr. KASTEL. A social call.

Mr. RICE. What is Samish?

The CHAIRMAN. Is he the Artie Samish from California?

Mr. KASTEL. From San Francisco, Senator.

The CHAIRMAN. Well-known man in public life, or something or other out there?

Mr. KASTEL. Yes, sir.

Mr. RICE. Now, on April 14, 1950, you made a person-to-person call to John Grosch, at Hot Springs. Can you tell us the subject matter of that telephone call? Do you know John Grosch?

Mr. KASTEL. Yes, sir.

Mr. RICE. Who is he?

Mr. KASTEL. He is the present sheriff of the parish of Orleans.

Mr. RICE. What was the reason for your making that call to Grosch on that date?

Mr. KASTEL. I can't remember. I couldn't tell you offhand.

Mr. RICE. Do you recall calling Grosch at Hot Springs?

Mr. KASTEL. I may have called him. If the call is there on the record I admit to the call.

Mr. RICE. Have you called Grosch more than one time at Hot Springs?

Mr. KASTEL. I couldn't say, unless the record is there.

Mr. RICE. Now, sir, going back to a question you were asked last night, about this loan of \$75,000 from the Mills Novelty Co. in Chicago: Would it refresh your recollection any if I would suggest to you that this loan was made for the purpose of purchasing a quantity of liquor, which was in the custody of the customs office at New York at that time?

Mr. KASTEL. No, sir; that I can't remember.

Mr. O'CONNOR. I didn't hear the question. He wanted to know whether you had borrowed \$75,000 from Mills?

The CHAIRMAN. Well, we asked about whether you borrowed \$75,000 from Mills last night and you said you were going to think it over and try to refresh your recollection on it. Have you refreshed your recollection?

Mr. KASTEL. I believe I have; yes. The answer is "Yes."

Mr. RICE. What was that transaction?

Mr. KASTEL. Well, the transaction is a little hazy in my mind, but I know the money was sent to buy some liquor that was to be auctioned off.

Mr. RICE. Yes.

Mr. KASTEL. I remember it. It was a long time ago.

Mr. RICE. Who had that liquor?

Mr. KASTEL. I think it was in the hands of the Federal Government.

Mr. RICE. A man named Farley have anything to do with it?

Mr. KASTEL. Farley? I couldn't say.

The CHAIRMAN. Sheriff Foley.

Mr. KASTEL. It's so long ago I couldn't say.

The CHAIRMAN. You remember Sheriff Foley?

Mr. KASTEL. The name registers, but I didn't know the man personally.

Mr. RICE. Did the deal go through? Did you acquire the liquor?

Mr. KASTEL. I don't believe it did.

Mr. RICE. You don't believe it went through?

Mr. KASTEL. It didn't go through.

Mr. RICE. But the money was borrowed?

Mr. KASTEL. The money was borrowed, and returned.

Mr. RICE. From the Mills Novelty Co. in Chicago?

Mr. KASTEL. I didn't do business with the Mills Novelty Co. I did business with an individual by the name of Fred Mills.

Mr. RICE. Fred Mills?

Mr. KASTEL. Yes, sir.

Mr. RICE. And Fred Mills in turn is connected with the Mills Novelty Co.?

Mr. KASTEL. Yes, sir.

The CHAIRMAN. In that transaction, Frank Costello joined with you, didn't he?

Mr. KASTEL. I don't believe he had anything to do with it, Senator, I believe.

The CHAIRMAN. I believe you and he saw Mills together—and that is the note that was given by you and Costello, was it not?

Mr. KASTEL. I don't believe Mr. Costello's name was on the note.

Mr. RICE. Just your name was on the note?

Mr. KASTEL. I think so. I don't know whether there was a note given.

Mr. RICE. Did he guarantee the note along with you?

Mr. KASTEL. Who did?

Mr. RICE. Costello.

Mr. KASTEL. I couldn't answer that question.

Mr. RICE. Did he enter into the transaction in any way whatsoever?

Mr. KASTEL. Not to my knowledge.

The CHAIRMAN. Who saw Mills in Chicago to negotiate the matter?

Mr. KASTEL. I did.

The CHAIRMAN. You went out to see him?

Mr. KASTEL. I don't know whether I went out. I was out there on several occasions. I don't know whether I saw him in Chicago on that particular transaction or I saw him in New York.

Mr. RICE. We have a record here which indicates that the amount of \$75,000 was granted on an unsecured note of Costello. Does that refresh your recollection?

Mr. KASTEL. Unsecured note?

Mr. RICE. Yes.

Mr. KASTEL. Unless I saw the note, that doesn't refresh my recollection at all.

Mr. RICE. Your best recollection, then, is that Costello did not participate in the deal?

Mr. KASTEL. My best recollection is that I made the—he made the check out to my order and I deposited it in the bank.

Mr. RICE. Mills did?

Mr. KASTEL. Sir?

Mr. RICE. That Mills made the check out to your order?

Mr. KASTEL. Yes.

Mr. RICE. What did you give Mills?

Mr. KASTEL. I gave him—I may have given him a note. I don't remember.

Mr. RICE. Well, was your note secured by any collateral?

Mr. KASTEL. No, sir.

Mr. RICE. Just your signature?

Mr. KASTEL. That's right. If it was a note, it was secured by my signature.

Mr. RICE. Is it possible that you borrowed the money just on your word?

Mr. KASTEL. Maybe.

The CHAIRMAN. Anything else?

Now, Mr. O'Connor, do you want to ask your client any questions to clear up any matters?

Mr. O'CONNOR. The only question—I spoke with Mr. [Ralph] Mills today, Senator—was about the hotel bill of Frank Costello. Costello never did use the rooms of Mr. Kastel. He used other rooms and when he checked out of the hotel, they would charge that to Kastel's room, and Costello would then pay for that later, to Kastel.

Mr. KASTEL. That is correct.

Mr. O'CONNOR. Is that correct, Mr. Kastel?

Mr. KASTEL. That is correct. On many occasions.

The CHAIRMAN. Did you examine the hotel records?

Mr. O'CONNOR. No. I ascertained that last night, sir, from I think it was Mr. Broussard, Mr. Murphy's accountant.

The CHAIRMAN. For your information, I might tell you that—

Mr. O'CONNOR. Now, I don't make that as a matter of fact; I am only saying what I was told last night.

The CHAIRMAN. That Mr. Kiley examined the original records, and anyway the records that he examined, so he reports to us, show what I stated last night: which we have here.

Mr. O'CONNOR. Well, they reflected it was charged to room 562, but that doesn't mean the party occupied room 562.

The CHAIRMAN. Oh, surely; that's true. You can register in a hotel room and may not occupy it. That's true.

Mr. O'CONNOR. I don't mean, Senator, that I don't think you get what I mean. He can occupy room 416 and when he checked out say, "Charge that to 562." Mr. Kastel has an accountant.

The CHAIRMAN. Well, in any event, the records at the Roosevelt Hotel show that beginning in 1936 and ending 1950, March 2, 1950, Frank Costello was here at least 44 times for a total of 466 days, and that the number of days are set out and each particular time. The records further show that during the above-mentioned visits at which time he usually occupied, accompanied by his wife, Loretta, he made the Hotel Roosevelt his headquarters. Phil Kastel also maintains an apartment. From March 2, to March 11, 1946, he used Kastel's apartment. On two occasions, March 2, 1946, and June 28, 1946, the hotel bills were charged to room 1252, Phil Kastel's account.

Mr. KASTEL. That is a long time ago.

The CHAIRMAN. April 15, 1945—

Mr. O'CONNOR. Wouldn't that be 1935, for 1252, Senator?

The CHAIRMAN. No; that is 1946.

Mr. KASTEL. 1946.

The CHAIRMAN. March 11, 1946.

Mr. O'CONNOR. To room 1252, sir?

The CHAIRMAN. No. Then, 1943 to room 1252. On April 15, 1945, he was "with Gerald Cateno of East Orange, N. J.," and on his last visit here, January 17, 1950 to March 2, 1950—

Mr. O'CONNOR. He didn't occupy your suite, did he?

Mr. KASTEL. No.

The CHAIRMAN. That brings in some other names we don't want to bring in here.

Mr. O'CONNOR. The last time he was here, Senator, does the record reflect he occupied the suite of Mr. Kastel?

The CHAIRMAN. This report was gotten up before New Year's, when he was here last.

Is there anything else?

Mr. RICE. Yes; on those hotel rooms: Has it ever occurred that the room occupied by Costello—the expenses for that—have they ever been charged to Beverly?

Mr. KASTEL. No, sir.

Mr. RICE. The Beverly never pays for any of those things?

Mr. KASTEL. No.

Mr. RICE. Now, sir, that Lenor Josie we spoke about a minute ago: Isn't he in the oil business?

Mr. O'CONNOR. You can answer that.

Mr. KASTEL. I believe he is.

Mr. RICE. Well, hasn't he been in the club?

Mr. KASTEL. Yes.

Mr. RICE. What does he do in the club?

Mr. KASTEL. Eats and drinks.

Mr. RICE. Anything else?



Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. Did you ever see him in the casino?

Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. Did you ever have any business transactions with him?

Mr. KASTEL. I refuse to answer that question on the ground it may tend to incriminate me.

Mr. RICE. Are you interested in any venture with him?

Mr. KASTEL. I refuse to answer that question.

The CHAIRMAN. Who is this we are talking about?

Mr. KASTEL. Lenor Josie, oil man from Texas.

The CHAIRMAN. Well, you refuse to tell what business transactions you had with him?

Mr. O'CONNOR. May I ask him a question, Senator? Was it private transactions? What transactions did you have with him?

The CHAIRMAN. All right. What is your answer?

Mr. KASTEL. Whether I had any private transactions?

The CHAIRMAN. You were asked about whether you had any business transactions with him.

Mr. KASTEL. I refuse to answer that question on the grounds it may tend to incriminate me.

The CHAIRMAN. Well, you do have some oil interests, don't you, in Texas?

Mr. KASTEL. No, sir.

Mr. RICE. Do you have any oil interests anywhere?

Mr. KASTEL. Yes, sir.

Mr. RICE. Where is that?

Mr. KASTEL. In Louisiana.

Mr. RICE. In what field?

Mr. KASTEL. I don't see any reason for going into my private affairs.

Mr. RICE. Pickens Field?

Mr. KASTEL. I refuse to answer that question.

The CHAIRMAN. All right. Is there anything else?

Mr. Kastel, you will be continued under subpoena. My personal recommendation will be that some of these questions you had no right to answer. You have in some matters been cooperative, but some questions I can't see how you can rightfully refuse to answer.

The record will be very closely studied in that regard. That is all, Mr. O'Connor.

Mr. O'CONNOR. Thank you, sir.

With reference to my records—

(Discussion concerning return of records.)

The CHAIRMAN. I will give you my assurance you will get them back not later than Monday at 4.

(Witness excused.)

**STATEMENT OF ALBERT SALZER, METAIRIE, LA., ACCOMPANIED  
BY ROBERT WEINSTEIN AND THOMAS E. WICKER, ATTORNEYS,  
NEW ORLEANS, LA.**

The CHAIRMAN. Mr. Salzer, do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. SALZER. I do.

The CHAIRMAN. Where do you live, Mr. Salzer?

Mr. SALZER. 106 Mulberry Drive, Metairie.

The CHAIRMAN. What town?

Mr. SALZER. Metairie. That's no town, it's in Jefferson Parish.

Mr. WEINSTEIN. Mr. Chairman, may I say something, please, sir?

The CHAIRMAN. Just a minute. Let me find out: Metairie, is that a parish?

Mr. SALZER. It is a subdivision, sir. It is in Jefferson Parish.

The CHAIRMAN. All right. Mr. Weinstein, do you want to say something?

Mr. WEINSTEIN. Yes, sir. The first thing we would like to raise, and I know Your Honor's ruling on it because I have seen it raised before you during these proceedings, is that we insist upon the attendance of a legal quorum of this committee before proceeding further. Should it be here ruled that we are not entitled to this relief, or that the number of members present now are sufficient to constitute a quorum and compel the witness to testify, he does so under protest, and reserves all of his rights in the premises. He must make this objection to protect his rights under the decisions of the Supreme Court of the United States. And we would like it understood, if possible, Mr. Chairman, that throughout the testimony, that this objection will be considered as having been raised without the necessity of repetition.

The CHAIRMAN. Well, that can be understood, Mr. Weinstein.

Mr. WEINSTEIN. Now, one other thing, Mr. Chairman: I would like to make a few observations, and I assure you that they are made in the spirit of cooperation, but at the same time strongly without in any way waiving any of our client's rights, but the observations are being made because we deem it necessary for the protection of our client's rights. In other words, I do not want the chairman to feel that we just want to be technical about the situation.

The CHAIRMAN. All right, I will appreciate your cooperation.

Mr. WEINSTEIN. Yes, sir. Now, Mr. Chairman, it happens that I was an assistant United States attorney for this district for approximately 15 years, and resigned as United States attorney in July 1948, and during that period of time it would naturally—well, put it this way: You just get it into your blood to worry about the constitutional rights of prospective defendants and defendants in legal proceedings. Now, when we will urge the constitutional right of Mr. Salzer against self-incrimination, I would like that this honorable committee will understand we are doing it in good faith and we would like to present the reasons for this objection to testifying.

The CHAIRMAN. All right, sir.

Mr. WEINSTEIN. Now, first, I know that objections must be urged by the witness, but before you ask any question, for the sake of saving time, I might say, and in the light of the rulings which I have seen during the last—during today and yesterday—I want to make a few observations. We have a situation here, Mr. Chairman, and I would like the record to reflect this: That right on this side, in the grand-jury box, we have the name of Mr. Lambert, Intelligence Unit, Treasury Department, and right here we have the name of Mr. Holt, Intelligence Unit, Treasury Department. We have His Honor, Mr. Lansing Mitchell, assistant United States attorney for this district, sitting right

on the bench with Your Honor; and I know—that is, I saw today Mr. Delaney, with the Immigration Department—and I do not know who else is here, but I would imagine that all of the enforcement agencies of the United States and the State of Louisiana are interested in this proceeding. I do not say that meaning that they shouldn't be. I think they should. I do not say that in a critical vein, but I do say to you, Mr. Chairman, that in the light of that you can well understand that a witness who takes the stand in this proceeding might feel a little more being in a dangerous position as he would feel under ordinary circumstances. I am now, I hope, talking common sense. As I would feel if I were sitting before this honorable committee, and I believe like most every individual who would be sitting to testify before you.

Now, furthermore, I should like to call to the attention of this honorable committee [obtaining document], one exhibit which we would like to mark for identification "Salzer-1" which says:

law officers here face income probe. Senator Kefauver will conduct New Orleans hearing. Officials of the United States Treasury Department in New Orleans were consulted today by investigators for the Kefauver Senate Crime Committee in a probe into the incomes of law-enforcement officers in the New Orleans area.

I know that Mr. Salzer is not a law-enforcement official. However, you gentlemen know his type of business which will be brought out.

The CHAIRMAN. Let this be made exhibit 1. The thing you have there. That is from the New Orleans—

Mr. WEINSTEIN. This is the New Orleans States, Tuesday, January 23, 1951.

(The document was marked "Exhibit No. 24," and is on file with the committee.)

Mr. WEINSTEIN. Mr. Salzer is not a law-enforcement official, but you gentlemen know his occupation and you gentlemen have heard testimony today relating to the place where he works and you can see from the type of questions involved that you will ask him and of other witnesses whom you have subpoenaed that this gentleman would have some reason to fear that this investigation would endanger his liberty under the Federal laws, particularly the income tax laws. We know that the Supreme Court has held against the application about using the State law as a possibility of being prosecuted under the State law, as being a reason why you can not testify before this committee. However, we urge that as an objection, too, because we can't tell what the Supreme Court might do when it comes up again.

Now, just one more statement about the law: I have heard questions by the honorable counsel for this committee wherein he tries to pin a particular witness down to practically say "I violated a Federal law."

The CHAIRMAN. Mr. Weinstein, Club Forrest, I understand, is a corporation, and all we want to know—we haven't anything against Mr. Salzer. We just want to—he is custodian of the books; we are not trying to do anything with him.

Mr. WEINSTEIN. Well, very good, then.

The CHAIRMAN. I don't want to cut you off.

Mr. WEINSTEIN. No, sir. I am not here to make a speech. I am just trying to protect the rights of my client.

The CHAIRMAN. Well, you have made a pretty good speech, but let's see if you can bring it to a conclusion.

Mr. WEINSTEIN. I will conclude right now; if all you want is books, we've got them.

The CHAIRMAN. No; I don't want to cut you off. We may have something else to ask him about so you make any other point that you want to.

Mr. WEINSTEIN. Well, my speech will be, you might say I will make it so long, I'll put it in proportion to the amount of questions you might ask, and I don't know that, so I'll just compromise and make it a little bit longer.

Mr. RICE. Let us ask the questions.

The CHAIRMAN. No, let him—no, he—

Mr. WEINSTEIN. I'd like to do this because I know the kind of questions you are going to ask, Mr. Rice. I have been listening to them for 2 days.

Mr. RICE. You know more than I do then, because I don't know, myself.

Mr. WEINSTEIN. Then you are going to change your mind on the type of questions?

Mr. RICE. Yes, sure.

The CHAIRMAN. Mr. Weinstein is about to wind up. Let's make any other point you wish, sir.

Mr. WEINSTEIN. All right. Let us see. When Mr. Rice was questioning various people here, and I do not say this in a critical form. I admire the gentleman for trying to do an excellent job, but at the same time, I have a job to do, too, and I think that this committee, and the members of this staff, instead of looking down upon someone who tries to protect the constitutional rights of his clients, should look upon them with a little respect and say, "Well, anyhow, you are trying to do a fair job for your client."

The CHAIRMAN. Mr. Weinstein, have you heard us criticize any lawyers?

Mr. WEINSTEIN. No sir; but I have seen some witnesses criticized for not having testified when they have exercised their constitutional rights.

The CHAIRMAN. Well, now, make any other point you might want to make.

Mr. WEINSTEIN. Yes, sir. All right. Mr. Rice as I see it, has asked witnesses practically "Do you have something specific in your mind which would tend to incriminate you?" and then "Is it a matter which comes under the Federal law?" and then, "About when did that take place? Was it last year? This year?"—and so on. If that was the situation, Mr. Chairman, then the Constitution, fourth and fifth amendments, would mean nothing.

The CHAIRMAN. All right.

Mr. WEINSTEIN. Furthermore, it isn't a matter of course, it can't be a fanciful proposition, but it must be—but if it is reasonable, if it is something that a person in honest, good intent—

The CHAIRMAN. Well, Mr. Weinstein—

Mr. WEINSTEIN. All right, sir.

The CHAIRMAN. Suppose we pass on to something else besides the law on self-incrimination.

Mr. WEINSTEIN. All right, then, I will proceed to sit down as you direct.

The CHAIRMAN. Will you proceed with the witness, Mr. Rice?

Mr. RICE. Are you appearing here in response to a subpoena?

Mr. WEINSTEIN. On that I would like to make this observation.

Mr. RICE. Now, wait a minute.

Mr. WEINSTEIN. I've got a right to say this, and I'll tell you why—

Mr. RICE. I don't know about that, either.

The CHAIRMAN. Just a minute. The witness was asked whether he was appearing here in answer to a subpoena.

Mr. WEINSTEIN. That is what I want to say.

The CHAIRMAN. Just a minute, Mr. Weinstein; let the witness answer that question. Then we will let you make an observation.

Were you subpoenaed to come here and bring certain books?

Mr. SALZER. I was.

Mr. CHAIRMAN. Now what did you want to say?

Mr. WEINSTEIN. What I wanted to say is this: Under the immunity statute, as Your Honor knows and Mr. Rice knows, you have got to protect yourself, and say that you are appearing here under compulsion, not voluntary, and I want to make that statement to Your Honor.

The CHAIRMAN. We understand he is appearing here not voluntarily, but under compulsion by virtue of subpoena served upon him.

Mr. WEINSTEIN. That's right, sir; and we'd like that on all questions without the necessity of repetition.

The CHAIRMAN. That's right. We will let—Mr. Salzer has something there he wants to read.

Mr. SALZER. Not yet.

The CHAIRMAN. All right, let's get on, Mr. Rice. We are far behind.

Mr. RICE. In response to subpoena, are certain books and records here now, Mr. Salzer?

Mr. SALZER. Sir?

Mr. RICE. In response to the subpoena which you received, are there certain books and records here now?

Mr. SALZER. They were brought here, as far as I know.

Mr. RICE. Yes. All right, sir. Now, where are you employed?

Mr. WEINSTEIN. That's right, sir; and we'd like that on all questions which might be asked in the future without the necessity of repetition.

The CHAIRMAN. Well, now, let's see what books and records he has brought.

Mr. RICE. What books and records did you bring?

Mr. SALZER. With me, today? I mean yesterday? At the time they subpoenaed me they told me to bring the several remaining books, which we needed to operate, with me when I came here yesterday morning, but it was several days ago. I don't know exactly when they came and subpoenaed all of the books since the time the club opened, and they took them off in an automobile. I presume they are here.

Mr. RICE. All right, sir.

Mr. SALZER. And the report they told me to bring, I brought with me yesterday.

Mr. RICE. What is your job at the club?

Mr. WEINSTEIN. Your Honor, at this time I would like him to read this so that we will cover that—

The CHAIRMAN. Let's get the name of the club more specifically. What is your job with the Forrest Club in Jefferson Parish?

Mr. SALZER. May I read this, please?

The CHAIRMAN. Yes.

Mr. SALZER. At this time, in order to protect my rights under the Federal and State Constitutions, I would like to have included in the record the following objections which I have to appearing here today and also to the question you have asked and any similar ones. I want to make it perfectly clear that I am appearing at this hearing only in obedience to a subpoena issued by the authority of the Senate Crime Investigating Committee. My appearance is not voluntary, and anything that I might say during the course of this hearing will not be voluntary, but will only be because I have been forced to come here and testify. I intend to waive no right, at any time, during my testimony. The Senate resolution under which this committee is operating could not possibly cover testimony which would be elicited from me. My activities are strictly local and could have no possible bearing on interstate commerce. The question which I will be subjected to must necessarily be immaterial and not pertinent to your inquiry and, therefore, not permissible. I am asserting the privilege against self-incrimination as embodied in the fourth, fifth, and fourteenth amendments to the Federal Constitution, and article 1, section 2, of the Louisiana State Constitution, in that the testimony attempted to be elicited from me might tend to incriminate me under the Federal laws and also, at the same time, under the State laws. The purpose of the questions to be asked me is to attempt to disgrace me, and such being the case, I have a right not to answer your questions.

Mr. RICE. Now, did you write that, sir?

Mr. SALZER. No, sir.

Mr. RICE. Who wrote that?

Mr. WEINSTEIN. I did.

Mr. SALZER. My attorney, sir.

Mr. RICE. Now, what is your job at Club Forest?

Mr. WEINSTEIN. He just—go ahead and answer it.

Mr. RICE. What is the answer to the question?

Mr. SALZER. I've got another piece here I didn't read.

The CHAIRMAN. Order in the court.

Mr. RICE. Can't you just tell me what your job is?

Mr. WEINSTEIN. Read that.

Mr. SALZER. I would rather read this, sir.

Mr. RICE. You would rather read this paper.

Mr. WEINSTEIN. If he wants to read a piece of paper which makes him stand on constitutional rights, a strong piece of paper—

The CHAIRMAN. Did you write it?

Mr. WEINSTEIN. I wrote it; yes, sir.

Mr. RICE. How do you know what he wants?

Mr. WEINSTEIN. How do I know what he wants?

The CHAIRMAN. Mr. Weinstein, sit down, now, you are getting too unnecessarily excited.

Mr. WEINSTEIN. I know, but you would, too, Senator, if you hear those kind of statements, when you represented a person.

The CHAIRMAN. I don't think I'd get excited about the first questions, I would wait until two or three more.

Mr. Reporter, what is the question?

(The reporter read the question.)

Mr. RICE. Do you have a job?

Mr. SALZER. With the greatest deference to this honorable committee I refuse to answer that question because I feel that the answer therefore might tend to incriminate me and be dangerous to me.

Mr. RICE. Now, sir, just tell us—lay the paper ahead—tell us what your job is, what do you do for a living?

Mr. WEINSTEIN. Just a minute, Mr. Chairman, I don't want to be technical about this. Before you rule, I'd like you, please, to ask him some questions and make up your mind whether you think he should be forced to testify. I don't want to be in a position of being technical; I really don't. I know you appreciate his position, and I ask you to ask him some questions before you make up, and then decide on that issue.

The CHAIRMAN. He looks like an intelligent man, and a man that might want to do the right thing, and I hate to get in trouble with him. I think if he didn't have so many papers here to read, we might get along all right.

Mr. WEINSTEIN. Well, Senator, I am not here to get him in trouble.

The CHAIRMAN. Well, do you represent him or do you represent this club, Mr. Weinstein?

Mr. RICE. Now, sir, let's just lay the paper aside for the moment and tell us what your job is. What do you do for a living?

Mr. WEINSTEIN. I represent this individual, and—you mean the club as a corporation, as a retained client?

The CHAIRMAN. Yes.

Mr. WEINSTEIN. I do not represent the corporation as a retained client.

The CHAIRMAN. Do you represent the owners of the club, whatever it is?

Mr. WEINSTEIN. In what way?

The CHAIRMAN. I mean in their litigation. Do you represent the Mills brothers?

Mr. WEINSTEIN. In what?

The CHAIRMAN. Well, in whatever lawsuits they may have.

Mr. WEINSTEIN. Whatever lawsuits they may have? The answer is "No."

Mr. KLEIN. Mr. Weinstein, have you ever taken a fee from either Club Forrest or from Henry, Arthur G., or Frank B. Mills, Edwin Litolf, Alfred B. Schorling, Victor Gallo, Gonzales Azcona, or any one of them?

Mr. WEINSTEIN. Of course; let's don't let that appear I am answering something contrary from what you asked me, Mr. Senator.

The CHAIRMAN. What I want to know is, are you here to look after this man or are you looking after the interests of some of these people you say you have taken a fee from?

Mr. WEINSTEIN. I am here representing, at this moment, Mr. Al Salzer, who understands exactly what this gentleman has just pointed out—that we have had a fee from Club Forrest; of course we have.

The CHAIRMAN. That is all we want to know.

Mr. KLEIN. A simple question, and simple answers.

The CHAIRMAN. Are you representing Club Forrest here, or are you representing Mr. Salzer?

Mr. WEINSTEIN. Right now? I am representing Mr. Salzer.

The CHAIRMAN. Who is paying your fee, or who will pay your fee, or do you know has that been discussed yet?

Mr. WEINSTEIN. We have had a fee paid.

The CHAIRMAN. Club Forrest or by this man?

Mr. WEINSTEIN. I think it was by Club Forrest.

The CHAIRMAN. Then you don't seem to be representing this man?

Mr. RICE. What individual in Club Forrest do you represent?

Mr. WEINSTEIN. I want to say—

The CHAIRMAN. Here is the whole thing about it: This man's rights may be entirely contradictory to the rights of Club Forrest, and I know you are a fine lawyer, and I am sure you are a good ethical lawyer, but I don't want this man to get into trouble, and I don't think he is going to if we can get on with this examination, but if you are representing Club Forrest, that is an entirely different thing.

Mr. WEINSTEIN. Mr. Chairman, if you go and talk to the reputable members of this bar—

The CHAIRMAN. Well, let's—

Mr. WEINSTEIN. I know, but you are now raising implications on me.

The CHAIRMAN. I only asked you about who paid your fee for representing this man.

Mr. WEINSTEIN. I told you, and I am here representing this man, personally, right now, and it's up to him to decide who he wants to represent him. I think if you went ahead with the questions you'd get what you want.

The CHAIRMAN. All right. Well, Mister, let's see if we get along now.

Mr. WEINSTEIN. All right.

The CHAIRMAN. Mr. Salzer, have you got the books and records of, or certain books and records; were they in your possession out at Club Forrest?

Mr. SALZER. Yes, sir; they were.

Mr. RICE. And did you bring those books and records in here?

Mr. SALZER. I turned them over to Mr. Ahern several nights ago when he came out and asked for them, through the advice of my attorney, and accountant.

The CHAIRMAN. Let's get the books and records you turned over to Mr. Ahern who is connected with this committee, and see if you can identify them; Mr. Ahern, will you come around. Let's see the books and records.

Mr. AHERN. All the records that are here were brought in by Mr. Cahill, Mr. McGuire, and myself, with the exception of the current months of January brought in by Mr. Salzer yesterday morning.

The CHAIRMAN. Is there some way we can mark, for identification, the records? Are they in several bundles?

Mr. AHERN. They are in several bundles, all marked "Club Forrest."

The CHAIRMAN. Mr. Salzer, that's the records you are talking about that he has identified?

Mr. SALZER. Yes, sir.

The CHAIRMAN. Can you mark the bundles 1, 2, 3, and 4?

Mr. AHERN. Yes, we can.

The CHAIRMAN. How many bundles are there for the years 1944 to 1951, including January 1951? The little record you have in your hand, Mr. Salzer, is that the January 1951 record?



Mr. SALZER (examining records). They look like it.

The CHAIRMAN. Let's open it and see.

(Records opened by Ahern.)

There seem to be three books.

Mr. SALZER. Four books, sir.

The CHAIRMAN. Are those the 1951 current records?

Mr. SALZER. Yes, sir.

The CHAIRMAN. And they are the records of Club Forrest that were in your possession or control? Is that correct?

(Pause.)

Mr. WEINSTEIN. They are Club Forrest records.

Mr. SALZER. Yes; they are Club Forrest records. May I have a word with my counsel, please, sir?

The CHAIRMAN. All right.

(Witness and Mr. Weinstein confer.)

The CHAIRMAN. Now, are you the one that can give us information from these records, or is there an auditor, Mr. Murphy or someone else that knows about them?

Mr. SALZER. There is an auditor, who is Mr. Murphy. But I make most of the entries that are made in them. Not all of them, but most of them.

The CHAIRMAN. Will you get the records—if we get the records and ask you about the entries, can you tell us about them?

Mr. SALZER. For the majority of them, I think I could. I will do my best.

The CHAIRMAN. That is the line of questioning we are going to follow with Mr. Salzer. Go ahead, Mr. Rice.

Mr. RICE. Then you are an employee who keeps the books and records at the club. Is that correct?

The CHAIRMAN. Anyway, the books and records are in his possession, and he can testify about them.

Mr. WEINSTEIN. Mr. Chairman, if I could see you for one moment with your counsel there, I think we could get something decided pretty fast here.

Mr. RICE. It might help.

The CHAIRMAN. Well, let's have another 5-minute recess and we will confer with counsel.

(Short recess.)

The CHAIRMAN. Now, Mr. Salzer, we have a lot of books which have been filed as an exhibit here, which necessarily is going to take a lot of time to dig into and what not, which we want to get back to you, from whom we got them, as soon as possible. Now, you look at the—I will ask one question, then Mr. Rice may carry on. Will you look at the book in your possession and tell us whether the Forrest Club is a corporation or whether it is a partnership?

Mr. SALZER. Book in my possession?

The CHAIRMAN. Yes; I am asking you that; hand him the book. Take it around, Mr. Mills, and stand there with him.

What are these?

Mr. WEINSTEIN. Those are papers dealing with article of corporation and minutes. I think that that was requested also.

The CHAIRMAN. To get at it, the Forrest Club, according to articles of corporation, is a corporation. Is that correct?

Mr. SALZER. As far as I know; yes, sir.

The CHAIRMAN. Now, look at the book. Do you have the minute book?

Mr. SALZER. Yes, sir.

The CHAIRMAN. Which you have brought in?

Mr. SALZER. As to this book: I was told it is the minute book. I have never looked in it and never read it. It has not been any of my affairs to do so.

The CHAIRMAN. What does the book show, as to who are the stockholders? Who are the officers, and directors of Club Forrest?

Mr. SALZER. I don't know that for sure, but I am sure it is in this book. Somebody that might know how to look at this book.

Mr. WEINSTEIN. Show it to him.

The CHAIRMAN. Well, let's find it in the book.

Mr. SALZER. If you show me that and that is what it says, why that's it.

The CHAIRMAN. Look at the last directors' meeting and see who they are.

Mr. RICE. In the meantime, Mr. Counsel, get your stock book.

Mr. SALZER. It says here "President, Mr. Frank Mills; vice president, Mr. Arthur Mills; secretary and treasurer, Mr. Alfred B. Schorling."

Mr. RICE. Does it show the directors? Those are the officers as of the moment. What is the date of that meeting?

Mr. SALZER. February 12. Let me read you this: "First meeting of the newly elected board of directors held February 12, 1949, in accordance with resolutions passed at the annual meeting of the stockholders." Should I continue. That is the caption of the page.

The CHAIRMAN. That is enough.

Mr. RICE. Now, do we have a stock book?

Mr. SALZER. You see, sir, you are asking me a lot of questions that I really don't know the answers to.

Mr. RICE. Yes; I understand that you may not know the answers to a lot of the questions. We will do the best we can with what we have.

Mr. SALZER. These records were turned over by our auditor and me.

Mr. RICE. Yes.

Mr. SALZER. I asked him to come up there and tell me what to give them. That is what he said to give; so you are asking me—

Mr. RICE. Yes. We all understand that some of the Mills boys are not available who normally would be able to answer these questions. Let the record indicate that Ralph Mills is not one of the Mills boys referred to.

Mr. SALZER. I want to make this clear. I don't know whether you know it or not. I am not a stockholder; I am an employee of that club.

Mr. RICE. I understand that.

Mr. SALZER. No; I don't know what this is. I do have custody of these things.

Mr. RICE. We have a mutual problem of trying to get at something where the people who really should know the answers are not available.

Mr. SALZER. I think you are right, sir.

Mr. RICE. All right, now, we will go—

The CHAIRMAN. All right. How about getting on. Mr. Ralph Mills, you read them off.

Mr. MILLS. This is preferred stock we are referring to first, and here are 254 shares for Henry Mills. I think if somebody would add them up as we go along it would help: 254 shares for Henry Mills, 127 shares for Edwin H. Litloff, 106 shares for Arthur Mills, 127 shares for Lawrence J. Luke, 74 shares for Frank Mills, 74 shares for Gonzales Azcona, 85 shares for Alfred B. Schorling, 44.83 shares for Henry Mills—that is in addition to what he had before; 13.06 shares for Frank Mills, 18.68 shares for Arthur Mills, 22.42 shares for Ed Litloff, 13.07 shares for Gonzales Azcona, 14.94 shares for A. B. Schorling.

The CHAIRMAN. Is that what the record shows there, Mr. Mills?

Mr. R. MILLS. Yes, sir; that is the total.

The CHAIRMAN. Let the witness answer.

Mr. SALZER. That is what he read off; yes, sir.

Mr. RICE. That is preferred stock, Mr. Mills?

Mr. MILLS. That is preferred stock.

Mr. WEINSTEIN. That is what the document—

I don't know. The document says preferred stock on that certificate that he read off.

The CHAIRMAN. That is all right, Mr. Mills. Mr. Rice, you just ask him some questions.

Mr. RICE. Yes, sir. Now, sir, on the common stock, will you read down the distribution of the common stock? Mr. Mills, you can do that.

Mr. WEINSTEIN. The document shows—

Mr. MILLS. This document here shows that it is on common stock, No. 1, for 200 shares, Henry Mills; No. 2, for 87.05 shares, Frank Mills; No. 3, for 125 shares, for Arthur Mills; No. 4, 150 shares, for Edward H. Litloff; No. 5, 150 shares, for Lawrence J. Luke; No. 6, for 100 shares, to Vic Gallo; No. 7, 87.05 shares, to Gonzales Azcona; No. 8, for 100 shares, Alfred B. Schorling; No. 9, 35.28 shares, for Henry Mills; No. 10, 15.44, for Frank Mills; No. 11, 22.7, for Arthur Mills; No. 12, 26.49, for Edward Litloff; No. 13, 17.64, for Vic Gallo; No. 14, 15.44, for Gonzales Azcona; No. 15, 17.64, for A. B. Schorling. That is all.

Mr. RICE. All right, sir; do you—

Mr. WEINSTEIN. Of course, would you see whether they reflected a transfer in there. There might be. Mr. Murphy would really be in position to tell you the exact situation as of this date.

Mr. SALZER. That is true.

Mr. WEINSTEIN. Mr. Charles Murphy, the accountant, would be able to give you exact information on that.

Mr. KLEIN. All right, sir. Do you know where Mr. Murphy is?

Mr. WEINSTEIN. I might call for him.

Mr. SALZER. Mr. Broussard is out in the hall. He might know.

The CHAIRMAN. Let's get Mr. Broussard in, maybe he can help us and testify along with this gentleman.

Mr. RICE. Now, sir. Do you assist with the payroll records?

Mr. WEINSTEIN. Now, at this time, Mr. Rice, we would like—I would like to advise the witness to stand upon his constitutional rights of the fourth and fifth amendments, and also on the State constitution, and refuse to testify, and advise him to so state that he declines to testify for the reasons I have just given.

The CHAIRMAN. All right.

Mr. RICE. All right. Do we have the payroll records?

The CHAIRMAN. Wait just a minute. I overrule your objection, Mr. Weinstein, and order the witness to testify.

Mr. WEINSTEIN. All right, sir. The witness is advised to testify. And may I say this, Your Honor, that it is understood when he answers this question that he is answering under compulsion of the committee's orders?

The CHAIRMAN. It will be understood that this question that he is answering by direction of the committee, by the compulsion of the chairman's orders, and that if you wish, I will let the record show that the same objection is made to every other question that may be asked, and that he is also answering under compulsion to every other question.

Mr. WEINSTEIN. And the objection deals with the violation of any Federal laws or any State laws?

The CHAIRMAN. All of the objections you made in your original objection.

Mr. WEINSTEIN. And everything is compulsory.

The CHAIRMAN. Yes, sir.

Mr. WEINSTEIN. Thank you, sir.

Mr. RICE. Can you find the payroll records?

The CHAIRMAN. We were about to get the auditor in here. We might be able to save some time.

Mr. SALZER. I don't have anything to do with the payrolls.

The CHAIRMAN. Do you have anything to do with the social-security records?

Mr. SALZER. No, sir.

The CHAIRMAN. Just a minute. Your name is?

Mr. BROUSSARD. Errol F. Broussard.

**TESTIMONY OF ERROL F. BROUSSARD, NEW ORLEANS, LA., ACCOMPANIED BY ROBERT WEINSTEIN, ATTORNEY, NEW ORLEANS, LA.**

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. BROUSSARD. I do.

Mr. RICE. All right, sir, do you find on there that George Reyer draws any money, or do you know, or can you find in the records that George Reyer draws any money from the Club Forest?

Mr. BROUSSARD. I would like to state, before I go into this that we do not prepare these returns. They are prepared by someone else. We see the total figures, but we have nothing to do with their preparation.

Mr. RICE. Yes. Could you take a look and see if you find them on there, or do you know from what your office does do whether George Reyer receives any money from Club Forest?

Mr. BROUSSARD. To my knowledge, he doesn't, sir.

Mr. RICE. Has he ever received any money from Club Forest, to your knowledge.

Mr. BROUSSARD. Not to my knowledge, sir.

Mr. RICE. Has he ever appeared on the records?

Mr. BROUSSARD. Not to my knowledge, sir.

Mr. RICE. Do you know who he is?

The CHAIRMAN. Do you know, Mr. Salzer, whether he is on the records?

Mr. SALZER. Not that I know of.

Mr. RICE. Have you ever heard of him?

Mr. WEINSTEIN. Do you know him?

Mr. BROUSSARD. Yes, sir.

Mr. RICE. Mr. Salzer, does the Club Forest have wire service?

Mr. SALZER. What do you mean by that question?

Mr. RICE. Does it have a ticker there for the wire service?

Mr. SALZER. Yes, sir.

Mr. RICE. Can you tell from the records what is paid for the wire service?

Mr. SALZER. I believe you can. Give me a few minutes, and I might be able to look through there and tell. Offhand, I can't say.

The CHAIRMAN. Can you remember the approximate amount and to whom it is paid?

Mr. SALZER. No, sir; I can't. That is under a different—there is a different head for that. My time is spent there mostly at night. However, I am there sometimes in the day, but is for other reasons than to participate in anything like that which I might know and be able to answer.

Mr. WEINSTEIN. Can I ask him this: Do you know that moneys are paid for that type of service without knowing the amounts that might be paid, exactly?

Mr. SALZER. Yes.

Mr. WEINSTEIN. Do you know that?

Mr. SALZER. Yes.

The CHAIRMAN. And does the result of races from various parts of the United States come in over the wires?

Mr. SALZER. Yes.

Mr. RICE. Did you have a December quarterly payroll there, Mr. Broussard?

Mr. BROUSSARD. December social-security return, sir, for what year?

Mr. RICE. Why don't we offer that for the record in toto?

Mr. BROUSSARD. You have been having them in your possession as far as I know for several days.

Mr. RICE. Yes; but they are not in the record.

The CHAIRMAN. Well, they are all in the record. Have you offered the entire exhibit?

Mr. BROUSSARD. Yes.

Mr. RICE. Can you help us, Mr. Broussard, on the expense of the wire service?

Mr. BROUSSARD. No, sir; offhand I couldn't state the amount, if any, without having to refer to the record.

Mr. RICE. Can you refer to the records and find that?

Mr. BROUSSARD. I will say from the records the information could be obtained.

Mr. RICE. Will you take a look and see? We are interested in getting along and finding out how much is paid for the wire service and to whom?

The CHAIRMAN (examining records.) Well, we have to get along somehow. Mr. Broussard, can you come over here. Would you know the book where the payment for the wire service would be in?

Mr. BROUSSARD. It would be in the nightbook.

Mr. SALZER. No, it would be in the daybook.

Mr. BROUSSARD. Give me one of the daybooks.

Mr. WEINSTEIN. Here is the nightbook.

Mr. BROUSSARD. I want the daybook.

The CHAIRMAN. I tell you what we will do. We only have about six matters we want to find out about in connection with these books. So I think we will recess until 8 o'clock, and Mr. Salzer and Mr. Broussard, can you stay here with Mr. Martin and Mr. Mills, and keep the records all together and see if you can locate the places in these books where we can get the answers, so that in about 5 minutes when we come back after dinner we can get this information without all of the delay that is now necessary. Will that be all right with you, Mr. Weinstein?

Mr. WEINSTEIN. Absolutely.

The CHAIRMAN. We will suspend until 8 o'clock. We stand in recess until 8 o'clock.

#### NIGHT SESSION

(Pursuant to the recess taken, the committee reconvened at 8 p. m., Friday, January 26, 1951.)

The CHAIRMAN. Before we begin the night session I think I should say, as I have stated before, that it is our intention to complete the session tonight. I don't want to leave here without giving anyone whose name has been mentioned an opportunity to be heard. So if anyone whose name has been mentioned wants an opportunity to be heard, if they will let us know about it now, I would appreciate it very much so we can arrange our schedule.

Mr. COBB. I'd like to be heard, Mr. Chairman.

The CHAIRMAN. You are Mr. Cobb?

Mr. COBB. Yes, sir, I have worked with you and the committee since last April. I have made trips to Washington, been in communication with you by long distance, and telegrams and everything else. I know more about the gambling situation and will tell more truth in a half hour than you'd hear in a half-hundred years.

The CHAIRMAN. Mr. Cobb, we have, of course, appreciated the cooperation you have endeavored to give the committee. It is true that you have talked with me in Washington, that you came up to testify in Washington before the Interstate and Foreign Commerce Committee. A good deal of the information you have furnished the committee has been used. I have asked the staff to go over with you very carefully the information you have and—

Mr. COBB. Senator, I beg to differ with you.

The CHAIRMAN. Well, that is all right, Mr. Cobb.

Mr. COBB. You promised me both in writing and personally that I'd be allowed to testify and that the investigators would be in touch with me here.

The CHAIRMAN. No, Mr. Cobb; you are wrong about that. I told you that when my staff came to—

Mr. COBB. You haven't kept your word.

The CHAIRMAN. Just a minute, Mr. Cobb, just a minute. I told you that when the members of the staff came to New Orleans I'd have them get in touch with you and for you to get in touch with them, and to give them such information as you wanted—

Mr. COBB. They failed to do so. I had to look them up. Don't you think there was irregularities?

The CHAIRMAN. Now, Mr. Cobb, just a minute. They have been in touch with you. We have received in writing all of your information. It is necessary that we discriminate; it is necessary that we decide what information from witnesses we subpoena is pertinent to our inquiry.

Mr. COBB. There was no evidence that I can use here.

The CHAIRMAN. Just a minute, Mr. Cobb. We have gone through all the information you have furnished and the part of the information we have thought pertinent, a great deal of it has been used in our inquiry—

Mr. COBB. Cobb knows none of it.

The CHAIRMAN. Just a minute—

Mr. COBB. Practically no—

The CHAIRMAN. Mr. Cobb, I will have to ask you to refrain from speaking while I am speaking. You have not been accused of any matters here. Whatever information you have furnished that contains leads have been worked over. Of course, by necessity, it is necessary that we call on the witnesses that we feel can give us information that has relevancy to the matter that we have under inquiry. The committee is in a better position to judge about that than you are. If, during the course of the hearings tonight, we find some matters that we think you can throw light on, we will call on you, but for the purpose merely of talking about the matters that you have information about which we have not already brought out in testimony, the staff advises me that the matters are largely local, and so unless you are called on to testify, why—

Mr. COBB. May I ask one question, Senator?

The CHAIRMAN. All right, sir, you ask one question.

Mr. COBB. Just one question: Why is it that throughout the investigation that crime, the shake-down rackets, and the blow-ripple situation that exists in the city of New Orleans has been completely ignored, and the limelight thrown on some outlying parishes which are not one-fifth as bad as the parish here? The Governor, for instance, is no friend of mine—

The CHAIRMAN. Mr. Cobb.

Mr. COBB. They have discredited him, but the same situation has existed before—

The CHAIRMAN. Mr. Cobb, we know a great deal about you, of course, and we have been through your information very fully. The committee has, here or anywhere else, tried not to smear anyone or protect anyone, but to present the evidence that comes in line with our investigation. So that that has been done without regard to others in the city of New Orleans or whether it is within some parish outside. Of course, you may disagree, but we have studied what you have furnished very, very carefully. You have furnished some leads for which we are thankful to you, but it is up to the committee to decide the types of things that it feels comes within the terms of its investigation.

Mr. COBB. One more question, please, and then I will be seated. I promise.

The CHAIRMAN. All right, what is your question?

Mr. COBB. I have noticed on the stand, I don't approve of all this racketeering, that is why I have been working against it.

The CHAIRMAN. You said you wanted to ask a question. Ask your question.

Mr. COBB. Jimmy Moran, alias James Brocato who identified himself as being in company in a camp hideout with Mayor Morrison, was not asked the question asked every other witness, "Do you have a criminal record?" He was asked how much he weighed and how good a prize fighter he was. It looked like the other witnesses were persecuted to me, and the mayor is glorified, and the town reeks with pollution, corruption, vice, crime, and everything else.

The CHAIRMAN. All right, Mr. Cobb, it is unfortunate that you are not a member of the Senate, so that you—

Mr. COBB. I hope some day I could be to bring truth and justice to the United States.

The CHAIRMAN. All right, now you take your seat, Mr. Cobb. The committee has investigated all of the leads you have given us. The committee has considered what you have to offer. The committee has also considered the sources of your information and what you have done in the city of New Orleans. The committee feels that with the scope of the investigation it has, that it has given the information you have furnished all the importance that it should have, Mr. Cobb. But, of course, in any community it is possible, naturally, to run an investigation for weeks and weeks and weeks and many people would be willing to testify.

Mr. COBB. Senator, may I ask one more question?

The CHAIRMAN. No, Mr. Cobb.

Mr. COBB. Just one more question.

The CHAIRMAN. All right.

Mr. COBB. Isn't it a fact that the secretary of the crime commission was sent over by the city hall crowd and has been associated with the notorious Gasper Gullotta on that phony vice commission in the French Quarter? What right did she have on the crime commission investigating a thing? I was in that office. I heard her tell a reporter she didn't know who she was working for.

The CHAIRMAN. Of course, Mr. Cobb, if we wanted to go into your record we could do you considerable harm, but I have no intention of doing that.

Mr. COBB. What's that?

The CHAIRMAN. I said if we wanted to go into what you have done, and so forth, it might be different, but the thing is—

Mr. COBB. Just what do you mean?

The CHAIRMAN. Well, that's all right, Mr. Cobb. You are accusing this committee, so—

Mr. COBB. I was here to go on the witness stand, and take all the examinations, cross examinations, and everything else.

The CHAIRMAN. Mr. Cobb, we have—we have—

Mr. COBB. I am the only human being in New Orleans who will do it, too.

The CHAIRMAN. We have dozens of people who are willing to go on the witness stand, and testify—

Mr. COBB. I know, some of the perverted minds of the mayor.

The CHAIRMAN. We have many, many people who are willing to go on the witness stand and testify.



Mr. COBB. Sure, but—

The CHAIRMAN. But somewhere or another, of course, we have got to decide who can bring out testimony that is important to us.

Mr. COBB. The judge got a record—

The CHAIRMAN. The facts you have submitted, or the information that you have submitted that is important to us, we have endeavored to bring out, and we have brought out. It is up to the committee to decide what we think is of interstate or national importance and not for you. So that I can thank you for whatever information you have given the committee, but I will have to ask you to take your seat.

Mr. COBB. In conclusion, I will tell you I am proud of the best record of anybody in politics, in New Orleans.

The CHAIRMAN. All right, Mr. Cobb, we understand that. There are some witnesses here whom we are not going to be able to call tonight. If any of them are in the audience, I wish they'd be thinking about the question whether they want to testify, witnesses we have subpoenaed. Also, I will ask Mr. Knop, the good marshal who has served us so patiently, to check with the witness list the people waiting out in the hall to testify, and see if any we may not have called want to testify, and so advise the committee. Now, is there anyone whose name has been brought out in the hearing who wants to make any explanation? [No response.] If not, I have asked Mr. Mills and Mr. Martin to go over with our present witnesses, Mr. Salzer and Mr. Broussard, to see if they can come to some understanding or at least a correlation of what is in the records that we have before us relative to Club Forest. Have you been able to do that, Mr. Broussard and Mr. Salzer?

Mr. SALZER. Yes, sir.

Mr. BROUSSARD. Yes, sir.

The CHAIRMAN. Mr. Mills, do you have it?

Mr. MILLS. Yes; I have it here.

The CHAIRMAN. What have you done about the records and the books?

Mr. MILLS. These gentlemen here have the records and books for the Club Forest down there and they have appropriate places marked in the books, and if it is desired to make references to the books themselves after this, that we have agreed by stipulation with their attorney, Mr. Weinstein, who assisted in getting this together, then we can make specific references to the books.

The CHAIRMAN. You speak up so we can all hear what you have to say.

Mr. MILLS. As of January 1, 1951, the Club Forest was divided into the following divisions: First is the restaurant; that includes the dining room, grill, and bar. The second division is the casino, which is open to the public and it is divided as follows—it has a night and a day operation. Now the day operation includes what they call "the big game," that is the dice game. There were three tables. It has a small dice table, two roulette wheels, two blackjack games, a race horse book, and a football pool. Then the night operation has the keno game.

Mr. SALZER. May I interrupt? That is not a football pool. That is on football wagers.

The CHAIRMAN. Speak up louder, we can't hear you.

Mr. SALZER. That's on football wagers.

The CHAIRMAN. All right, mark out "football pool" and put in "football wagers," Mr. Mills.

Mr. MILLS. Right. The night operation includes the keno game, six roulette wheels, small dice games, blackjack, four tables; the "big game" or dice, five tables and it ranges depending on the amount of business from two to five tables in the operation. Now, also included in the night report for the casino are the slot machines, and the receipts from the slot machines are counted twice a week and included in the night receipts. Mr. Salzer has no record here to reflect exactly how many slot machines they have. His best recollection is that there are approximately 48 slot machines in the Club Forest. These machines are 5 cents, 10 cents, 25 cents, 50 cents and \$1 machines. Now, also included under the casino operation is the race horse machine, which is similar to the slot machine and pays off. Is that correct, Mr. Salzer?

Mr. SALZER. That is right.

The CHAIRMAN. Speak up, Mr. Salzer.

Mr. SALZER. That is right.

The CHAIRMAN. I mean, all of this he has read you know about?

Mr. SALZER. That's right.

Mr. WEINSTEIN. May I just say this, Mr. Chairman, so that the record will be clear, since all of this testimony is by way of compulsion, instead of calling it a stipulation, you have asked him the question, he says "That's right."

The CHAIRMAN. That is right.

Mr. WEINSTEIN. From a reference to the books.

The CHAIRMAN. Yes, sir; they have gone over the books together.

Mr. MILLS. This part Mr. E. F. Broussard assisted in getting together. Now, the assets of the Club Forest, the balance sheet at the end of the fiscal year, November 30, 1949, which is the latest one, in fact, that we could refer to, shows total assets of \$718,904.59. That included \$156,069.55 in cash; \$49,247.30 in accounts receivable; \$6,499.67 in inventory; \$300—

Mr. BROUSSARD. I beg your pardon, sir. Will you call that figure of some four hundred twenty-two thousand dollars again, Mr. Mills?

Mr. MILLS. I haven't got that far yet.

Mr. BROUSSARD. You just called it, Mr. Mills.

Mr. MILLS. No, \$6,499.67, inventory \$300; Mid-Winter Sports Association, \$422,030.70—what was that?

Mr. BROUSSARD. That is the book value of the assets, the fixed assets of the corporation.

Mr. MILLS. \$70,000 for land; \$1,907.37, deposits; \$150 for common stock; \$12,700 for Treasury preferred stock. Again that comes to a total of \$718,904.59 of assets; and the liabilities accounts and loans payable \$111,795.01; bonds, notes and mortgages payable, where maturity is over 1 year, \$200,812.50. Other liabilities, which Mr. Broussard says are State and Federal income tax, \$84,233.65. Capital stock preferred, \$84,700; capital stock common, \$1,000; undivided profits, \$236,373.43. The total liabilities and net worth; \$718,904.59.

The CHAIRMAN. Is that right, Mr. Broussard, according to—

Mr. BROUSSARD. Yes, sir.

The CHAIRMAN. It is?

Mr. MILLS. We have a little more.

The CHAIRMAN. All right.

Mr. MILLS. Gross receipts for the restaurant for the fiscal year ending 11/30/49 was \$88,013.47. Now, the restaurant had only operated approximately 2 months.

Mr. BROUSSARD. That is correct.

Mr. MILLS. The operating expenses: Purchases of food, and so forth, that is, for the restaurant, \$80,575.27. Expenses, \$17,626.36, making a total of \$98,201.63, less the inventory, makes the actual operating expenses \$91,701.96, and indicates that the restaurant operated at a loss of \$3,688.49. Now, the gross receipts for the casino and other games as of 11/30/49—that is November 30, 1949, includes all gaming devices—

Mr. BROUSSARD. And slots.

Mr. MILLS. \$2,008,796. Total operating expenses, \$1,799,620.39. The net operating profit for the casino and the other gaming devices: All games at the club, \$209,175.61. The operating expenses include the restaurant loss. And Mr. Broussard desired that we indicate that Federal taxes of \$79,142.32 were due, and have they been paid?

Mr. BROUSSARD. They have been paid when due, sir.

Mr. MILLS. And State taxes, \$5,081.33; total taxes, \$84,223.65; and the club operated at a net operating profit for restaurant, casino, and everything, \$124,951.96 for the fiscal year ending November 30, 1949. That is all.

Mr. BROUSSARD. Correct.

The CHAIRMAN. Is all that correct. The part he has read.

Mr. BROUSSARD. Yes, sir.

The CHAIRMAN. All right, Mr. Rice.

Mr. RICE. Mr. Broussard, can you locate in the books the expenses in connection with the wire service; Mr. Salzer or Mr. Broussard?

Mr. SALZER. Yes; we found that. It is \$378 a week.

Mr. RICE. \$378 a week?

Mr. SALZER. Yes, sir.

Mr. RICE. Now, from the records there, can you tell to whom the payments were made?

Mr. SALZER. No, sir.

Mr. RICE. Is there any way of ascertaining that from either of you witnesses?

Mr. BROUSSARD. Not at the present time. I wouldn't know.

Mr. RICE. Do you have the canceled checks? Is it paid by check?

Mr. SALZER. I don't even know whether it is paid by check, I don't think it is. I am pretty sure it is not.

Mr. RICE. Do you pay it?

Mr. SALZER. No, sir.

Mr. RICE. Do you know anything about that, Mr. Broussard?

Mr. BROUSSARD. Other than what appears on the records, I don't.

Mr. RICE. Is there any way of finding that out? Don't you, as a matter of fact, know there is only one wire service here? The Daily Sports News?

Mr. SALZER. Not I, sir. I am not too familiar with the Daily Sports News or wire service, as I do accounting work.

Mr. RICE. Yes, sir; and in connection with accounting work, you do the work for the Club Forest, do you not?

Mr. BROUSSARD. From the records.

Mr. RICE. And do you have occasion to review the records and checks?

The CHAIRMAN. Well, if he knows let him say, if he doesn't, why all right.

Mr. BROUSSARD. I do not know other than what appears on the records.

Mr. RICE. Can you make an effort to find out from the record you have there?

Mr. BROUSSARD. It reflects on the page that he has open now.

Mr. RICE. It doesn't show the payee? Can you tell that from the record here?

Mr. BROUSSARD. No, sir.

Mr. RICE. Can you tell from any of the records that you have, Mr. Salzer?

Mr. SALZER. No, sir.

Mr. RICE. Now, sir, from your review of the records, do you find any payments to one George Reyer?

Mr. BROUSSARD. I have never noticed a payment to George Reyer?

Mr. RICE. How long have you been associated with the club, or with the keeping of the books of the club?

Mr. BROUSSARD. I have been associated with the firm with whom I work for approximately 5 years, and from time to time, I have had occasion to help compile the tax returns.

The CHAIRMAN. Do you find any record, Mr. Salzer, of George Reyer?

Mr. SALZER. No, sir; I know of none.

Mr. RICE. Well now is it possible for George Reyer to be receiving money from the club without it appearing in the records, Mr. Broussard?

Mr. BROUSSARD. I wouldn't know, sir.

Mr. RICE. You keep the records, do you not?

Mr. BROUSSARD. I do not keep the records.

Mr. RICE. Don't you audit the records?

Mr. BROUSSARD. I take my information from the records presented to me.

Mr. RICE. Do you know, Mr. Salzer, the answer to that question?

Mr. SALZER. What is—

Mr. RICE. Is it possible for Mr. Reyer to be receiving money without it appearing in the records?

Mr. SALZER. No, sir.

Mr. RICE. It is not possible?

Mr. SALZER. No, sir.

Mr. RICE. So that anyone receiving money from the club for any purpose that it appears somewhere in the record. Is that correct?

Mr. SALZER. Yes, sir.

Mr. RICE. All right, sir. Now, then, can either of you gentlemen locate in the books the daily figures from the horse book, or ledger page?

Mr. SALZER. In the daily book here there is a figure carried every day as to what the race horse book does insofar as win and lose. I don't know if you have looked over these records, but that is the way it is carried. It is on every day that they have it.

Mr. RICE. Yes, sir. What is the heading at the top of that page?

Mr. SALZER. Well, the heading is the date, and it is the balance brought forward of the day bank roll.

Mr. RICE. Does it have the "wins" and "losses" for any particular day there that you see?

Mr. SALZER. Yes, sir.

Mr. RICE. What date is that you have there?

Mr. SALZER. I have January 22d.

Mr. RICE. Of what year?

Mr. SALZER. 1951.

Mr. RICE. What does that show as to the wins and losses?

Mr. SALZER. It shows a winner of \$1,586.

Mr. RICE. Any losers?

Mr. SALZER. It doesn't show.

Mr. RICE. That is the net for the day: net capitulation for the day?

Mr. SALZER. Yes.

Mr. RICE. All right, sir: do you have the next day?

Mr. SALZER. Yes.

Mr. RICE. What is the net for that day?

Mr. SALZER. It shows a loser of \$843.

Mr. RICE. All right, sir. Read several more days here.

Mr. SALZER. That happens to be the last day. I will have to go back.

Mr. RICE. All right, sir, cut back then.

Mr. SALZER. This is the day backward, which would be Saturday, January 20.

Mr. RICE. Yes, sir.

Mr. SALZER. This is a day backward; which would be Saturday, January 20. It shows a loser of \$20,663.

Mr. RICE. How about the day before that?

Mr. SALZER. It shows a loser of \$10,638.

Mr. RICE. Any employees dropped from the payroll about that time?

Mr. SALZER. I will do better if you will let me go one more here. Do you want the next one?

Mr. RICE. Yes.

Mr. SALZER. That shows a winner of \$14,654.

The CHAIRMAN. And the day before that?

Mr. SALZER. It shows a winner of \$4,415.

The CHAIRMAN. All right, let's get on. Is that all we want? Now, we have had these gentlemen here, Mr. Salzer and Mr. Broussard, not because we particularly wanted to, but because they were the only ones we could find to prove these books. I believe the record shows that Henry, Arthur, and Frank Mills, Edwin Litloff, Albert Schorling, Victor Gallo, Gomez Azenna (Gonzalez Azcona) are officers, directors, who have some interest in this club. Are any of those gentlemen here, or some of those on our witness list?

(No response.)

I will ask the staff, during the few remaining days we have in New Orleans, to prepare from these records and books any supplemental information the committee needs and try to get the books back to you by Tuesday, anyway, Mr. Salzer: will that be all right?

Mr. SALZER. Well, Mr. Ahern told me when I brought these, these are present current books which we operate on. We can get along without them, but I'd rather take them, if you can—

The CHAIRMAN. All right, you can take the four current books back with you right now.

Mr. SALZER. How about this minute book that I have? May I take that?

Mr. BROUSSARD. We would like to look at the minute book. We haven't had time to check that.

Mr. SALZER. I would like to have a receipt for that.

The CHAIRMAN. Yes; we'll give you a receipt. The rest of them you can get back on Tuesday.

Mr. SALZER. The stock book, too?

The CHAIRMAN. The stock certificates we have no need for. You can have that.

All right, let's get all these books out of here. Thank you Mr. Salzer and Mr. Broussard.

(Witnesses excused.)

Mr. RICHARD A. DOWLING. Mr. Chairman, we offered a book last night, the Louisiana Sheriff, in connection with Grosch's testimony. I don't think it was filed officially in the record, though, was it?

Mr. RICE. I don't think so.

Mr. DOWLING. May I file it at this time?

The CHAIRMAN. Oh, that Sheriff book? I have it in my office. I thought he just gave it to me to read.

Mr. DOWLING. I thought we had offered it. We would like to offer it, if you don't mind, and put it in the record.

The CHAIRMAN. The book entitled "Louisiana Sheriff"—

Mr. DOWLING. Louisiana Sheriff, I believe. I did not look at it, but he had it.

The CHAIRMAN. The magazine which Sheriff Grosch gave to the chairman last night. I thought he just gave it to me, but I will put it in the record.

Mr. DOWLING. I would like to have it put in the record.

(The book was made a part of the record as Exhibit No. 25 and is on file with the committee.)

#### TESTIMONY OF SHERIFF C. F. "DUTCH" ROWLEY, ARABI, ST. BERNARD PARISH, LA., ACCOMPANIED BY RICHARD A. DOWLING, ATTORNEY, NEW ORLEANS, LA.

The CHAIRMAN. Now, gentlemen, we have a long time to go. Let's get down to the point.

Mr. ROWLEY. May I ask, before you start, who I am talking to?

The CHAIRMAN. I am Senator Kefauver.

Mr. ROWLEY. I'm glad to know you.

The CHAIRMAN. I am glad to meet you, Sheriff Rowley. Do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ROWLEY. I do.

Mr. DOWLING. At this time, in order to keep the record straight—

The CHAIRMAN. Let the record show that Mr. Dowling is appearing as attorney.

Mr. DOWLING. In order to keep the record straight on behalf of Sheriff Rowley, we would like to object to the jurisdiction of the committee for the reason, first, that we make the same point that has been made here: There is no quorum; and we make an additional point that the resolution authorizing the subcommittee to meet in New Orleans has never been in the record insofar as I know.

Mr. KLEIN. It is in the record.

Mr. DOWLING. Not in this hearing.

Mr. KLEIN. It was offered in the beginning by Senator Kefauver.

Mr. DOWLING. I would like to have it read if you don't mind.

The CHAIRMAN. All right, Mr. Klein, read the resolution in the record again.

Mr. DOWLING. I'd like to have a copy of it afterward, Senator.

Mr. KLEIN. You may get it from the record.

The CHAIRMAN. We will give you one, it is very short.

Mr. KLEIN. It is dated December 22, 1950.

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE

*Resolved*, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of whom one member shall be a quorum for the purpose of taking testimony and all other committee acts, to hold hearings at such time and places as the chairman might designate, in furtherance of the committee's investigations of organized crime, in the vicinities of the cities of Tampa, Fla., and New Orleans, La.

ESTES KEFAUVER, *Chairman*.

HERBERT R. O'CONNOR.

LESTER C. HUNT.

Mr. DOWLING. And dated when?

Mr. KLEIN. Dated December 22, 1950.

The CHAIRMAN. All right, let's get to Sheriff Rowley.

Mr. DOWLING. We are going to make the further objection——

The CHAIRMAN. Yes, we note the objection.

Mr. DOWLING. We are going to object to any questions of a purely local nature and that have nothing to do with interstate commerce or the use of interstate commerce, and that may be strictly of a local nature, and if those questions are answered, we reserve the right after that to make any objection in the record which we deem fit. We would like to make the further statement that Sheriff Rowley is here not voluntarily, but under compulsion of a subpoena and that any answer that he may make is because of compulsion and duress of this senatorial committee. With all due respect to the committee it is a legal proposition.

The CHAIRMAN. Thank you, Mr. Dowling; we note your objections. All right, Mr. Rice.

Mr. RICE. Where do you live?

Mr. ROWLEY. I live 548 Friscoville, Arabi, La. St. Bernard Parish, town of Arabi.

Mr. DOWLING. A-r-a-b-i.

Mr. RICE. How long have you been sheriff in St. Bernard?

Mr. ROWLEY. I was chief deputy from 1924 until November 13, 1938.

Mr. RICE. And when did you become sheriff?

Mr. ROWLEY. I became sheriff on November 13, 1938.

Mr. RICE. Now, sir, you have been sheriff steadily since?

Mr. ROWLEY. Yes, sir.

Mr. RICE. Now, then, have you ever heard of the Jungle Club?

Mr. ROWLEY. Yes, sir, I heard of it.

Mr. RICE. What is the Jungle Club?

Mr. ROWLEY. I couldn't tell you exactly what is the Jungle Club because I have never entered the Jungle Club in my life. Under oath, I couldn't tell you.

Mr. RICE. Where is the Jungle Club?

Mr. ROWLEY. The Jungle Club is on the St. Bernard Highway, what you call St. Claude Avenue on down.

Mr. RICE. Now, sir, is that your parish?

Mr. ROWLEY. Yes, sir.

Mr. RICE. And is it open to the public?

Mr. ROWLEY. I couldn't say that. I couldn't say it is open to the public or not.

Mr. RICE. You mean you don't know whether the public can go in and out of the Jungle Club or not?

Mr. ROWLEY. They may; I don't know. I didn't stay in there to find out if they go in and out.

Mr. RICE. In other words, you haven't done any snooping, have you?

Mr. ROWLEY. No, sir.

Mr. RICE. Now, sir, there has been some testimony here that the Jungle Club is the headquarters for the lottery drawings in this area. What do you have to say to that?

Mr. ROWLEY. It may be.

Mr. DOWLING. We note the same objection: that has nothing to do with interstate commerce, being strictly a local question, and unless connected with interstate commerce, we move that all of that be eventually stricken from this record.

The CHAIRMAN. All right, Mr. Dowling.

Mr. DOWLING. We'd like to have the same objection made as to all local questions, strictly local questions.

The CHAIRMAN. Yes, sir.

Mr. DOWLING. As this committee has no jurisdiction whatever under the resolution and under the law, to go into the local questions of what goes on in St. Bernard Parish unless connected in some way with interstate commerce.

Mr. RICE. All right, sir; what do you have to say to the allegations that drawings are made for the lotteries?

Mr. DOWLING. Now wait; I would like to have a ruling on that.

The CHAIRMAN. Well, Mr. Dowling, I overrule your objection, and I think we can just stipulate that you make the same objection to any questions.

Mr. DOWLING. That will be all right, Senator. I don't want to keep objecting.

The CHAIRMAN. Yes? All right.

Mr. DOWLING. What is the question?

Mr. RICE. The question is, What do you have to say to the allegation that the Jungle Club is a place where drawings for lotteries are held?

Mr. ROWLEY. I don't know anything about it because I have never seen a drawing in the Jungle Inn.

Mr. RICE. I see. So that you don't know anything about it. Now, sir, do you have slot machines in your parish?

Mr. ROWLEY. Now—

Mr. DOWLING. Yes.

Mr. ROWLEY. I would say this: that about the slot machines, I may see one or two on the highway, and I don't know if they are slots or not. They may be mint venders. I never stop there to play them: find out what they are doing.



Mr. RICE. Would it be possible in addition to mints, they might be vending—

The CHAIRMAN. Do they have Life Savers like this [exhibiting package of Life Savers]?

Mr. ROWLEY. Yes, sir; I have a sample of them right here [exhibiting similar package].

The CHAIRMAN. I thought you never stopped to play them? How did you get that?

Mr. ROWLEY. I didn't stop to play it. I got this at the drug store to save time.

Mr. RICE. Have you got any samples of these, Sheriff, that came out [exhibiting several nickels].

Mr. ROWLEY. The ones with the hole in it?

Mr. RICE. No, the solid type.

Mr. ROWLEY. The nickels?

Mr. RICE. Yes.

Mr. ROWLEY. No, sir; I didn't lose any—we don't have any.

Mr. RICE. You don't have any machines like that up there?

Mr. ROWLEY. I don't know, now; I'm not telling you that they haven't got them.

Mr. RICE. You don't snoop, do you?

Mr. ROWLEY. No, no, I don't snoop.

Mr. RICE. All right, sir. How about dice games? Any dice games in your parish?

Mr. ROWLEY. In answering that question, ah—

The CHAIRMAN. Well, Sheriff, is the thing pretty wide open down there?

Mr. ROWLEY. In answering that question could I make a statement?

The CHAIRMAN. Yes, we will let you make any statement you want.

Mr. RICE. Yes, go right ahead.

Mr. ROWLEY. They had gambling way back in 1875 in St. Bernard. The police jury passed an ordinance one time to pay the constable and the justice of the peace out of the funds of the gambling. By this time now, I guess gambling ought to be legal in that territory. At that time they passed an ordinance.

The CHAIRMAN. You have just about made it legal down there, haven't you, Sheriff?

Mr. ROWLEY. Not me. I didn't make it legal.

The CHAIRMAN. All right.

Mr. RICE. Now, you say they used to pay who?

The CHAIRMAN. The justices of the peace and the deputy sheriffs.

Mr. DOWLING. No, sir.

Mr. ROWLEY. The constables, and way back there—

Mr. RICE. Were those officers superseded by the office of sheriff?

Mr. ROWLEY. No, no. A constable is not superseded by the sheriff.

Mr. RICE. Is the constable still active there?

Mr. ROWLEY. What's that?

Mr. RICE. Is the constable still active there?

Mr. ROWLEY. Oh, yes; the constable is still active, now.

Mr. RICE. Who pays the salary, now?

Mr. ROWLEY. The parish pays the salary.

Mr. RICE. The gamblers no longer pay the salaries? Is that right?

Mr. ROWLEY. No, sir.

MR. RICE. Now, sir; since those times about which you speak, have there been any changes in the laws of Louisiana?

MR. ROWLEY. I am not familiar with some laws in the State of Louisiana.

MR. RICE. Oh, I see.

MR. ROWLEY. But we have a law on the statute books prohibiting gambling.

MR. RICE. Are you familiar with the gambling laws in particular?

MR. ROWLEY. Yes; I am familiar with that.

MR. RICE. Now, do you have a law that says something like this (reading from art. 90):

Gambling is the intentional conducting or directly assisting in the conducting as a business of any game, contest lottery or contrivance whereby a person risks the loss of anything of value in order to realize a profit, and whoever commits the crime of gambling shall be fined not more than \$500 or imprisoned for not more than 1 year, or both.

MR. ROWLEY. Yes; that's in the banking game statute.

MR. RICE. Oh; that is a banking game.

MR. ROWLEY. Yes, sir: Whoever banks a game; it's the banking game statute.

MR. RICE. Does that apply to slot machines?

MR. ROWLEY. No, sir.

MR. RICE. It doesn't apply to slot machines?

MR. ROWLEY. No, sir; that is not a banking game.

MR. RICE. Would that apply to a slot machine that paid off in cash?

MR. ROWLEY. It wouldn't apply to that, either.

MR. RICE. So the slot machine that pays off in cash, according to your interpretation, is a legal device?

MR. ROWLEY. It's not a legal device; it is what would you say, as going on the line of being legal pretty soon because Uncle Sam charges you \$150 on one of them and the State charges you a hundred dollars on the other, so I would ask—are you the attorney, Mr. Rice?—that a man that pays taxes on a slot machine, that he is at jeopardy because he pays Uncle Sam \$150 and he pays the State of Louisiana \$100. Then, say if he pays it like today, he can be raided the same hour and he loses \$250 and he can be charged in the local courts. So the only thing that—they charge you with slot machines is \$25 or 30 days, I understand.

MR. RICE. Now, sir—

MR. DOWLING. I might interpose an observation here, Mr. Rice. On your reading of that statute.

MR. RICE. Yes.

MR. DOWLING. If you will note, and I have the case: the case is reported in the Louisiana reports. It is the case of *State of Louisiana v. Lawrence Bienvenu*. It went up from the courts of St. Bernard Parish to the Supreme Court of Louisiana. The courts very strictly interpreted that particular part of the statute which you just read, where it says "gambling as a business." In other words, a man can gamble not as a business and under that statute it is not gambling, and the Supreme Court of the State of Louisiana in the case that I had reversed a conviction because of that.

MR. KLEIN. Mr. Dowling, I'd like to observe that the United States imposes a tax on the sale of opium. Does the sheriff hold that the general sale of opium is legal, too?

Mr. DOWLING. I don't know what he holds, as far as that is concerned. I am not—I wasn't talking about the sale of opium; I was talking about a particular Louisiana statute.

The CHAIRMAN. Well that is—the only way we have of—

Mr. DOWLING. Clarify in the committee's mind that statute. The gravamen of that statute is that it must be as a business. You and I can go out and shoot dice and under that statute, they can't convict us of it unless we make it our business.

The CHAIRMAN. Well, we haven't.

Mr. DOWLING. That has been decided by the Supreme Court of Louisiana.

The CHAIRMAN. Mr. Dowling, we haven't time to discuss the law.

Mr. DOWLING. I am sorry, Senator, but I just wanted to straighten—I am not going to interject myself, except where something seems to be muddy.

The CHAIRMAN. All right.

Mr. RICE. Have you ever heard of the Riverview Club, Sheriff Rowley?

Mr. ROWLEY. What's that?

Mr. RICE. The Riverview Club.

Mr. ROWLEY. Yes, sir.

Mr. RICE. What business is it in? Is that in St. Bernard Parish?

Mr. ROWLEY. Yes, sir.

Mr. RICE. Where about is that located?

Mr. ROWLEY. That's located on Friscoville and North Peters.

Mr. RICE. Who runs that club?

Mr. ROWLEY. I couldn't say right offhand; it changes hands so often. I couldn't tell you who runs that club.

Mr. RICE. What goes on in that club?

Mr. ROWLEY. I couldn't say. I never have been in the club.

Mr. RICE. Never been in there? Did anyone ever tell you?

Mr. ROWLEY. Well now, that would be hearsay. I couldn't tell you if they said they were gambling or not because that would be hearsay.

Mr. RICE. We will accept the hearsay. What have you heard about the club?

Mr. ROWLEY. I heard lots of things that are not true. I hear a lot of things the newspapers publish that are not true.

Mr. RICE. Did you hear there was gambling going on in there?

Mr. ROWLEY. Oh, yes; I heard that, too.

Mr. RICE. Did you make any effort to check up on it?

Mr. ROWLEY. What's that?

Mr. RICE. Did you make any effort to check up on it when you heard that?

Mr. ROWLEY. The reason why—no, sir; I didn't. I admit I didn't check up on the gambling because of the simple reason that where I live we never had one complaint about gambling.

Mr. RICE. Uh huh.

Mr. ROWLEY. No; I'll tell you this: If 10 or 15 people would come to me and make a complaint about gambling, I would look into it and close it, but I wouldn't close it for one disgruntle, you understand; and I never even had one of them.

Mr. RICE. Have you ever closed a gambling place at all on any complaint?

Mr. ROWLEY. Yes, sir; we have closed gambling houses down there.

Mr. RICE. You make some arrests; do you?

Mr. ROWLEY. What's that?

Mr. RICE. You make some arrests for gambling?

Mr. ROWLEY. Well, not lately, I couldn't say offhand without the records. I have no records here of that.

Mr. RICE. When was the last arrest you made for gambling?

Mr. ROWLEY. Last time we had a trial was back in—around '40, I think.

Mr. RICE. What caused you to decide to arrest in that case?

Mr. ROWLEY. This is the case Mr. Dowling explained to you; Mr. Larry Bienvenu.

Mr. RICE. And you haven't had a case since 1940?

Mr. DOWLING. I think you are wrong about that year.

Mr. RICE. Now, sir, do you have a deputy by the name of Cravata?

Mr. ROWLEY. No, sir; I have no deputy sheriff by the name of Cravata. He's not a deputy sheriff.

Mr. RICE. Who is your chief deputy?

Mr. ROWLEY. I have no chief deputy.

Mr. RICE. Who is Mr. Cravata?

Mr. ROWLEY. Have I got to explain to you who is Mr. Cravata?

The CHAIRMAN. Well, if you can do it briefly, who is Mr. Cravata?

Mr. DOWLING. If you have to explain, you can't just ignore it.

The CHAIRMAN. Well, tell who he is.

Mr. ROWLEY. Mr. Cravata is a resident, taxpayer, and property owner in Arabi.

Mr. RICE. Do you have any business transactions with him?

Mr. ROWLEY. No, sir.

Mr. RICE. Is he a gambler?

Mr. ROWLEY. I couldn't say if he is a gambler or not.

Mr. RICE. What business is he in?

Mr. ROWLEY. That is none of my business.

Mr. RICE. Isn't he related to you?

Mr. ROWLEY. Yes, sir.

Mr. RICE. What relation?

Mr. ROWLEY. He is a nephew of mine.

Mr. RICE. He is a nephew?

Mr. ROWLEY. Yes, sir.

Mr. RICE. You don't know what business he is in?

Mr. ROWLEY. No, sir.

Mr. RICE. How old a man is he?

Mr. ROWLEY. Oh, I guess he is forty-some-odd years old. I couldn't tell you.

Mr. RICE. Have you ever known him to be in business?

Mr. ROWLEY. Oh, yes, sir; I have know him to be in business.

Mr. RICE. In the last 5 years?

Mr. ROWLEY. I know he worked in the shipyard and stuff like that.

Mr. RICE. Has he worked in the shipyard in the last 5 years?

Mr. ROWLEY. Oh, I couldn't—no; the shipyard has been closed. I couldn't tell you if he worked or not in the shipyards.

Mr. RICE. What has he done in the last 5 years?

Mr. ROWLEY. Well, now that would be a question to ask Mr. Cravata.

Mr. RICE. You'd rather not answer?

Mr. ROWLEY. I'd rather not answer. It would be a question to ask him.

Mr. RICE. Now, sir, how many lottery companies operate in your parish?

Mr. ROWLEY. I couldn't tell you because I haven't seen any.

Mr. RICE. Do you have any handbooks in your parish?

Mr. ROWLEY. Under the same ruling, I say that I never seen any.

Mr. RICE. You don't know of any?

Mr. ROWLEY. I know they are around there, but I don't see them.

Mr. RICE. You know they are around there, but you don't see them?

Mr. ROWLEY. No, sir; I don't see them.

Mr. RICE. You don't go looking for them, do you?

Mr. ROWLEY. No; I don't look for them. I don't look for them at all. I got no complaints against them. You see, if there was any complaints—

The CHAIRMAN. Well, while we are on the matter of handbooks and these clubs, these clubs mostly have wire service and horse racing?

Mr. ROWLEY. Yes, sir; you can find out who owns them and everything else by your wire service.

The CHAIRMAN. I mean they all have wire service in them so you can bet on horse races?

Mr. ROWLEY. Yes, sir.

The CHAIRMAN. Let the records show that the hearings on S. 3358, Senate hearings, on page 857, show that there are Western Union drops for Continental Press Service, I mean from the Daily Sports News, at, that is the Fogarty Service at 118 Friscoville Avenue, Arabi, La.; Arabi Club, Arabi, La.; Jungle Inn, 7310 St. Claude Avenue, Arabi, La.; D Club, 6749 North Peters Street, Arabi; Joe's Club—is parish on your—no. Riverview Club, 116 Friscoville Avenue, Arabi, La.; Crescent City Club, 6779 North Peters Street, Arabi, La.; North Buissin, 1604 Angela Street, Arabi, La. Are you familiar with these places?

Mr. ROWLEY. No; what is the last one you called?

The CHAIRMAN. Well, here is North Buissin, 1604 Angela Street, Arabi, La.

Mr. ROWLEY. What? 24 Angela?

The CHAIRMAN. 1604 Angela.

Mr. ROWLEY. What's that? The poolroom?

The CHAIRMAN. I don't know. I am just—

Mr. ROWLEY. I don't either.

The CHAIRMAN. I am just reading the places where—

Mr. ROWLEY. Where the drops are; the telephones?

The CHAIRMAN. Where the drops are; that's right. Anyway, the Arabi Club and the 118 Club, and the what was that club you asked about? The Crescent City Club, Duffy's Tavern, and the Riverview Club: You know where they are?

Mr. ROWLEY. Duffy's Tavern; you've got me there. I don't know where old Duffy's at right now.

The CHAIRMAN. Let's get on.

Mr. RICE. Do you have any business besides that of sheriff?

Mr. ROWLEY. What's that?

Mr. RICE. Do you have any business interests besides that of sheriff?

Mr. ROWLEY. No, no. The only business I had was in a tract of land we bought some time ago.

Mr. RICE. Who is "we"?

Mr. ROWLEY. Mr. Livaudais and a few others; five of us bought a tract of land, call it the Trinaback.

Mr. RICE. Tract of land?

Mr. ROWLEY. Tract of land.

Mr. RICE. What goes on there?

Mr. ROWLEY. Nothing but land.

Mr. RICE. Nothing but land?

Mr. ROWLEY. That's all.

Mr. RICE. Who are the other five?

Mr. ROWLEY. There is Messrs. Plauche, Hodges, Lagachesra, myself, and Livaudais—five of us.

Mr. RICE. From whom did you buy that?

Mr. ROWLEY. I bought this from some widow, I've forgot her name right now.

Mr. RICE. All right, sir. What goes on that land?

Mr. ROWLEY. Nothing. Nothing goes on there but grass right now.

Mr. RICE. Any cattle grazing on there?

Mr. ROWLEY. They had a fellow had a pasture on there one time, but now the gas company bought a portion of that land.

Mr. RICE. All right, sir. You have sold that property; haven't you?

Mr. ROWLEY. Yes, sir.

Mr. RICE. You don't have that any more?

Mr. ROWLEY. No, sir.

Mr. RICE. Do you have any other business?

Mr. ROWLEY. No, sir.

Mr. RICE. All right, sir, I note from certain records that you submitted in response to the subpoena that you have—

Mr. DOWLING. Well, now we are going to object—

Mr. RICE. That you have miscellaneous income of \$7,000 and \$8,000, and \$6,000 within the past 3 years in addition to your income as sheriff. What is the source of that miscellaneous income?

Mr. DOWLING. We are going to object to any statement about any income-tax return, and state that it is not admissible and can't be gone into in this hearing.

Mr. RICE. No one said anything about an income-tax return, Counsel.

Mr. DOWLING. You are using an income-tax return in framing your question.

Mr. RICE. Is that so?

Mr. DOWLING. Yes; that's what you stated: You got your information from income-tax returns—

Mr. RICE. No; I didn't. I said from a record.

Mr. DOWLING. Well what record did you get it from? The only record that—

Mr. DOWLING. Anyway, the sheriff ought to be willing to tell what he got his income from.

Mr. DOWLING. Well, I advise him not to answer the question.

Mr. ROWLEY. I refuse to answer that question.

Mr. RICE. I ask the question of the witness.

Mr. ROWLEY. I refuse to answer the question.

Mr. RICE. On what ground?

Mr. DOWLING. Read your statement.

Mr. RICE. Let the record show the sheriff is removing a paper from his pocket.

Mr. DOWLING. That is correct. I have given him advice on what his rights are and I stand on that advice. There is nothing wrong with that.

Mr. RICE. Let the record show that the sheriff is reading from a paper.

Mr. ROWLEY. Yes; I am reading from a paper from my counsel. Let the record show that.

Mr. RICE. Did your counsel prepare the paper, Mr. Sheriff?

Mr. ROWLEY. Yes, sir, Mr. Dowling—

Mr. DOWLING. I prepared it.

Mr. ROWLEY (reading):

On the advice of my counsel, I desire—I decline to answer this—decline to answer this question on the constitutional ground, under the fifth amendment of the United States, interpreted by the Supreme Court in the case *Ball v. The United States*. Act, Seventy-first—

The CHAIRMAN. You don't mean "Ball," you mean "B-a-u-g-h" don't you?

Mr. ROWLEY. Yes—

of 223 to answer the said question might incrimin—might tend to incriminate me and make me liable to criminal prosecution and furnish a link of chains of evidence in criminal prosecution against me.

Mr. RICE. All right, sir; are you under indictment—

The CHAIRMAN. Now, Sheriff, do you want to say that, Sheriff, you are afraid some answer you might give us about some income you got might incriminate you? Is that what you want to tell this committee?

Mr. DOWLING. Stand on that.

Mr. ROWLEY. I stand on my right on answering that question.

The CHAIRMAN. Well, I was just asking you. You took an oath to enforce the law.

Mr. ROWLEY. Well, I am trying to get along with you, trying to answer every question you ask me, Senator.

The CHAIRMAN. Well, we are trying to get along with you, but—we don't want to get in any trouble with you, but I just wonder what you think about though, as Sheriff, being afraid some answer about his income is going to incriminate him.

Mr. DOWLING. Try and answer it.

Mr. ROWLEY. I am not answering it.

The CHAIRMAN. What do you think about that?

Mr. ROWLEY. I am not thinking now. I am just not answering.

The CHAIRMAN. Well, think about it a little bit. Think about it. After all, you are the chief law-enforcement officer of your county, and if you are afraid to talk about your income—

Mr. ROWLEY. We have a law-abiding parish, too.

The CHAIRMAN. Yes; but I mean, you want to keep the people respecting you down there.

Mr. ROWLEY. That's right.

The CHAIRMAN. What do you think about a sheriff being afraid to tell where he got some income from?

Mr. DOWLING. Don't say.

Mr. ROWLEY. Well, I still refuse to answer the question.

- The CHAIRMAN. Well, I will have to direct you to answer, Sheriff.
- Mr. ROWLEY. I still refuse to answer the question.
- Mr. RICE. What type of automobile do you have, Sheriff?
- Mr. ROWLEY. What's that?
- Mr. RICE. What type of automobile do you have?
- Mr. ROWLEY. I have a Ford and Cadillac.
- Mr. RICE. What year is the Cadillac?
- Mr. ROWLEY. 1949 Cadillac.
- Mr. RICE. I see. From whom did you purchase the Cadillac?
- Mr. ROWLEY. Crescent Auto Co.
- Mr. RICE. Yes, sir. Now, did you pay for the Cadillac yourself?
- Mr. ROWLEY. Yes, sir.
- Mr. RICE. Is it paid for?
- Mr. ROWLEY. Oh, yes; it's paid for.
- Mr. RICE. Did you pay in cash?
- Mr. ROWLEY. Yes, sir.
- Mr. RICE. How much did it cost you?
- Mr. ROWLEY. \$3,700.
- Mr. RICE. From whom did you buy the Ford?
- Mr. ROWLEY. I bought the Ford from the Bohn Motor Car Co.
- Mr. RICE. And what year is the Ford?
- Mr. ROWLEY. Ford is a 1949 trade-in Ford on my old Ford.
- Mr. RICE. How much did that cost you over your trade-in?
- Mr. ROWLEY. \$470.
- Mr. RICE. All right. Do you know A. J. Cigali?
- Mr. ROWLEY. Oh, yes, sir; I know A. J. Cigali.
- Mr. RICE. Did he ever give you a Cadillac?
- Mr. ROWLEY. No, sir.
- Mr. RICE. Did he ever give you anything?
- Mr. ROWLEY. No, sir.
- Mr. RICE. Are you sure about that?
- Mr. ROWLEY. No, sir.
- Mr. RICE. You are not sure?
- Mr. ROWLEY. No, I am not sure.
- Mr. RICE. Well, think about it.
- Mr. ROWLEY. Cigali has never given me anything.
- Mr. RICE. Never given you anything?
- Mr. ROWLEY. No.
- Mr. RICE. Anybody ever give you an automobile?
- Mr. ROWLEY. No, sir.
- Mr. RICE. Now, sir, when you paid for this Cadillac, did you pay by check?
- Mr. ROWLEY. I paid it by cash.
- Mr. RICE. You paid by cash?
- Mr. ROWLEY. Yes.
- Mr. RICE. And did you withdraw the cash from a bank account?
- Mr. ROWLEY. No, sir.
- Mr. RICE. Where did you withdraw the cash from?
- Mr. ROWLEY. Took it out of my safe.
- Mr. RICE. Took it out of your safe?
- Mr. ROWLEY. Yes, sir.
- Mr. RICE. Now, sir, where is your safe?
- Mr. ROWLEY. My safe is in my room.



Mr. RICE. In your room. What room?

Mr. ROWLEY. In the room where I sleep.

Mr. RICE. In your house?

Mr. ROWLEY. Yes, sir.

Mr. RICE. At the time you drew the cash from the safe, how much other cash was in there?

Mr. ROWLEY. Oh, approximately—I don't know; maybe ten or fifteen thousand; something like that.

Mr. RICE. Ten or fifteen thousand cash?

Mr. ROWLEY. I couldn't tell you—might be eight, might be four, might be three—something I couldn't tell you exactly.

Mr. RICE. Is the safe still there?

Mr. ROWLEY. Yes, sir.

Mr. RICE. How much cash is there now?

Mr. ROWLEY. I couldn't tell you exactly. I haven't opened it up yet for a long time.

Mr. RICE. About how much?

Mr. ROWLEY. I don't know. I couldn't say exactly how much I've got in it.

Mr. RICE. What is the closest you can come?

Mr. DOWLING. Don't guess. If you don't know, you don't know.

Mr. ROWLEY. I just don't know how much I've got in it.

Mr. RICE. When you looked last, how much was there, Sheriff?

Mr. ROWLEY. I couldn't say exactly how much I've got in there. I must have, maybe fifteen or twenty thousand in there. I don't know.

Mr. RICE. Maybe fifteen or twenty thousand?

Mr. ROWLEY. Yes.

Mr. RICE. Could it be more?

Mr. ROWLEY. No; it couldn't be any more than that.

Mr. RICE. It couldn't be any more?

Mr. ROWLEY. No.

Mr. RICE. It couldn't be any more than \$20,000?

Mr. ROWLEY. About that.

Mr. RICE. When was the last time you looked?

Mr. ROWLEY. Now, I couldn't tell you.

Mr. RICE. Was it a month ago?

Mr. ROWLEY. I couldn't tell you even exactly when I looked in it or not.

Mr. RICE. What is the least that could be there?

Mr. ROWLEY. I am telling you I have given you as close as I can—

Mr. RICE. What is the least that could be there. We've got \$20,000 at the most; what is the least that could be there?

Mr. ROWLEY. I said from \$15,000 to \$20,000 might be in the safe.

Mr. RICE. Could be as little as \$15,000?

Mr. ROWLEY. Yes.

Mr. RICE. But then, you can't come any closer than \$5,000?

Mr. ROWLEY. What's that?

Mr. DOWLING. You are only guessing.

Mr. RICE. Suppose you had a burglar there, you wouldn't know how much you lost. Would you?

Mr. ROWLEY. Well, I wouldn't know how much I lost, but there is no chance of a burglar doing any business there. May I ask you one question, Mr. Rice? I don't want to be antagonistic to you—

Mr. RICE. Yes.

Mr. ROWLEY. And I would ask you this question. As you are going on the line with these questions, you have television with everything open and spreading this propaganda all over the United States, just inviting burglars to tell you where you can get knocked off at.

Mr. RICE. Yes, sir. There are quite a few burglars, all right, around here. I'll have to say that. Have you any banks in your parish?

Mr. ROWLEY. Yes, sir.

Mr. RICE. Why don't you use a bank vault?

Mr. ROWLEY. I haven't got a bank vault. I've got money in the bank, though.

Mr. RICE. I see. Don't you trust banks?

Mr. ROWLEY. Yes, sir.

Mr. RICE. Why don't you keep the money at home in a bank?

Mr. ROWLEY. Now, that's a broad question. You ask me what I do—what I've got to do with my money. You see, that's not got nothing to do—

Mr. RICE. Well, how about—let's have a reason.

The CHAIRMAN. All right.

Mr. ROWLEY. I want to answer everything you want, but when you're going to tell me what I've got to do with my money, you know, it is a different thing.

Mr. RICE. No one is suggesting what to do with your money. I asked you why?

Mr. ROWLEY. I don't want any suggestions, you see, about my money.

The CHAIRMAN. Well, Sheriff Rowley, the question is why do you keep your money in a box instead of in the bank?

Mr. ROWLEY. That's a matter that—mine's an open book; I brought my books to you, didn't I? You see what they had in it, eh?

The CHAIRMAN. All right.

Mr. RICE. You didn't have anything about that, Sheriff.

Mr. ROWLEY. No; but you read the book over thoroughly? You know I have been in office 30 years?

The CHAIRMAN. All right, let's get on.

Mr. RICE. What banks do you have accounts in, Sheriff?

Mr. ROWLEY. I have an account in the Third District Bank.

Mr. RICE. Third District Bank.

Mr. ROWLEY. Yes; checking account.

Mr. RICE. What balance do you keep there?

Mr. ROWLEY. Oh, from—around a thousand dollars, eight hundred, six hundred. Sometimes I am a little overdrawn.

Mr. RICE. Any other bank accounts?

Mr. ROWLEY. Yes, sir.

Mr. RICE. What other bank accounts?

Mr. ROWLEY. I have bank account in the Bank of St. Bernard.

Mr. RICE. How much is in that account?

Mr. ROWLEY. In that account is \$10,000 in that account.

Mr. RICE. Is that in your name?

Mr. ROWLEY. Yes, sir.

Mr. RICE. Is that a savings or checking account?

Mr. ROWLEY. Savings account.

Mr. RICE. Savings draws interest?

Mr. ROWLEY. Yes; 1 percent.

Mr. RICE. Now, do you have any other accounts?

Mr. ROWLEY. That's all.

Mr. RICE. Have any accounts in any other banks outside the State?

Mr. ROWLEY. No, sir; no, sir.

Mr. RICE. Accounts in any other names?

Mr. ROWLEY. No, sir.

Mr. RICE. Do you have any safe-deposit boxes?

Mr. ROWLEY. No, sir.

Mr. RICE. Other than the one in your house?

Mr. ROWLEY. No, sir.

Mr. RICE. Do you have any stocks and bonds?

Mr. ROWLEY. Yes, sir.

Mr. RICE. What are the values of stocks and bonds?

Mr. ROWLEY. I have \$500 worth of stock. That's all I have to my name.

Mr. RICE. What company is that in?

Mr. ROWLEY. What's that?

Mr. RICE. What company is that in?

Mr. ROWLEY. What's that?

Mr. RICE. What company is that in?

Mr. ROWLEY. That's in the Bank of St. Bernard.

Mr. RICE. Do you have any war bonds?

Mr. ROWLEY. Yes, sir.

Mr. RICE. What amount of war bonds do you have?

Mr. ROWLEY. \$1,100.

Mr. RICE. \$1,100?

Mr. ROWLEY. That's right.

The CHAIRMAN. Sheriff, I am going to ask you again: We have your books here?

Mr. ROWLEY. Yes, sir.

The CHAIRMAN. And all you list here is your salary, about \$335.41 a month?

Mr. ROWLEY. Yes, sir.

Mr. RICE. And there is some \$100 in addition to that?

Mr. ROWLEY. What's that?

Mr. RICE. There seems to be \$100 in addition to that.

Mr. ROWLEY. Yes, sir. That is expense. That is a check drawn on expense. That is \$335 a month, and \$100 expenses.

The CHAIRMAN. No, Mr. Rice's question was, in addition to these \$335 a month and \$100 expenses in your book, what other income do you draw, do you get?

Mr. ROWLEY. I don't have no other income.

The CHAIRMAN. Is that all the income you have?

Mr. ROWLEY. That is all the business I have.

The CHAIRMAN. That is all the business, all the income?

Mr. ROWLEY. That is all the business.

The CHAIRMAN. 1949, this \$335 and \$100.

Mr. ROWLEY. Did you check the book good to see how much it is?

The CHAIRMAN. It seems to amount to about \$5,000—\$5,200 a year. Is that it?

Mr. ROWLEY. Yes.

The CHAIRMAN. All the income you got?

Mr. ROWLEY. That is all.

The CHAIRMAN. All right.

Anything else? All right, Sheriff; that is all.

(Witness excused.)

The CHAIRMAN. All right, call Mr. W. M. Ellis.

**TESTIMONY OF W. M. ELLIS, NEW ORLEANS (METAIRIE), LA.**

The CHAIRMAN. You are Mr. W. Ellis?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ELLIS. I do.

Mr. RICE. Where do you live?

Mr. ELLIS. 105 Metarie Heights, Jefferson Parish.

The CHAIRMAN. 105 Metarie? What do you do?

Mr. ELLIS. I am a retired railroad man.

The CHAIRMAN. Mr. Ellis, the only one question I wanted to ask you is that on some occasion have you been in Beverly Club out in Jefferson Parish?

Mr. ELLIS. I was in Beverly Club in June 1947; May or June.

The CHAIRMAN. And have you been there since then?

Mr. ELLIS. Then I was in there again in June 1949.

The CHAIRMAN. Did you find in there a casino room where they had gambling?

Mr. ELLIS. Yes, sir. They had crap tables.

The CHAIRMAN. What sort of a room is it?

Mr. ELLIS. What kind of a room?

The CHAIRMAN. Yes; I mean how large a room?

Mr. ELLIS. Oh, it is quite a size; probably a hundred feet long.

The CHAIRMAN. As big as this hearing room?

Mr. ELLIS (looking around). Well, I should say almost.

The CHAIRMAN. Almost as big as this hearing room.

Mr. ELLIS. Yes.

The CHAIRMAN. What did you see in that room?

Mr. ELLIS. I saw crap tables.

The CHAIRMAN. What else?

Mr. ELLIS. Blackjack, card games, any amount of slot machines.

The CHAIRMAN. All right. Did you see roulette?

Mr. ELLIS. Well, they had the roulette wheels there but they weren't in operation. We were in there early in the evening, and they hadn't—the business hadn't got good yet. In fact, it was a dull hour.

The CHAIRMAN. In 1949 when you were there, did you see Mr. Kastel?

Mr. ELLIS. Well, no, sir; I didn't.

The CHAIRMAN. Did you see him there at any time?

Mr. ELLIS. No, sir.

Mr. RICE. When you were there in 1949 were the gambling places in operation?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. And you saw them with your own eyes?

Mr. ELLIS. Yes, sir.

Mr. RICE. Were there many people in the gambling room?

Mr. ELLIS. Well, not at that hour. It was early in the evening and there wasn't so many, but there were quite a few participating in all the gambling games.

The CHAIRMAN. That's all.

Mr. ELLIS. And the "nigger in the wood pile" was, Senator, that there were 11 of us. One of the men was flushed. He says, "I'm going to set them up to you boys." There were 10 Baptists and myself; I am a Methodist. We sat down and ordered a Coca-Cola, and the bill was \$6.60 for 11 cokes.

The CHAIRMAN. Did you say you were going to set them up?

Mr. ELLIS. No; one of the gentlemen—other gentleman.

The CHAIRMAN. You mean one of the Baptists?

Mr. ELLIS. One of the Baptists; yes.

The CHAIRMAN. Who was that Baptist out there with you?

Mr. ELLIS. There were several of them; Mr. Tanner was one of them.

The CHAIRMAN. Was he the one that set you all up?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Where does he live, out in your section?

Mr. ELLIS. He lives out there in Metairie; yes, sir.

The CHAIRMAN. You all just went in and watched the games, they bought some Coca-Colas?

Mr. ELLIS. That's right.

The CHAIRMAN. I see.

Mr. ELLIS. You understand what we were in there for.

The CHAIRMAN. Yes, I do. Have you joined with this effort in this petition to try to get the places closed?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. Is your name on the petition?

Mr. ELLIS. Yes, sir.

The CHAIRMAN. And other people's names are on the petition?

Mr. ELLIS. We had 20 names on the petition.

The CHAIRMAN. Yes.

Mr. ELLIS. They said it required 20 citizens and property holders.

The CHAIRMAN. You weren't there to do any harm; you were there to be able to qualify?

Mr. ELLIS. Yes, that's right; when the case came up in district court to testify that there was gambling in the establishment.

The CHAIRMAN. Because you felt like it was a bad influence out in the parish?

Mr. ELLIS. That is right.

The CHAIRMAN. All right. Well, we understand your motive in being there. We just wanted to hear what you saw when you were in there.

That is all.

Mr. RICE. May I ask one question before you leave, Mr. Ellis? Did you see dice being thrown?

Mr. ELLIS. Yes, sir.

Mr. RICE. Did you see money?

Mr. ELLIS. Yes, sir.

Mr. RICE. Did you see money changing hands?

Mr. ELLIS. Yes, sir.

Mr. RICE. Whose hand was it changing to?

Mr. ELLIS. Well, the man running the game; when they rolled the dice he'd pay off the people that was betting on them and the one who was shooting.

Mr. RICE. The shooters were customers, and the other men were house men? Is that right?

Mr. ELLIS. That's right.

Mr. RICE. All right, sir. Thank you, sir.

The CHAIRMAN. All right. That's all. Thank you, Mr. Ellis.

(Witness excused.)

The CHAIRMAN. Call Mr. J. C. Arthur.

#### TESTIMONY OF J. C. ARTHUR, METAIRIE, LA.

The CHAIRMAN. Mr. Arthur, do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ARTHUR. I do.

The CHAIRMAN. Mr. Arthur, were you in the Beverly Club some-time recently, within the last 3 or 4 years?

Mr. ARTHUR. I was in there in June of '47 and along about April of '49.

The CHAIRMAN. Were you there at the same time Mr. Ellis was?

Mr. ARTHUR. No, sir; I was with another group.

Mr. RICE. Where do you live?

Mr. ARTHUR. I live in Metairie, 425 Atherton Drive.

Mr. RICE. Did you see Mr. Kastel there?

Mr. ARTHUR. No, sir.

Mr. RICE. And did you go into the gaming room?

Mr. ARTHUR. Yes, sir.

Mr. RICE. What did you see?

Mr. ARTHUR. Well, I saw slot machines, and I saw card games, which I took to be blackjack. I saw dice games and a roulette table.

Mr. RICE. Did you see money changing hands?

Mr. ARTHUR. Yes, sir.

Mr. RICE. Wide-open gaming?

Mr. ARTHUR. Yes, sir.

The CHAIRMAN. Are you one of the petitioners on this petition?

Mr. ARTHUR. Yes, sir.

Mr. RICE. You feel it is a bad influence and you wanted to be able to testify in the case?

Mr. ARTHUR. That's right.

(Witness excused.)

#### TESTIMONY OF JOHN F. BOSCH, SR., NEW ORLEANS, LA., ACCOMPANIED BY EDWARD J. BOYLE, ATTORNEY, NEW ORLEANS, LA.

Mr. RICE. Will you state your name for the record?

Mr. BOSCH. John F. Bosch, Sr.

The CHAIRMAN. Do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. BOSCH. I do.

Mr. RICE. Where do you live, Mr. Bosch?

Mr. BOSCH. Twenty-one Hawk Street.

Mr. RICE. Twenty-one what street?

Mr. BOSCH. Hawk Street.

Mr. RICE. What business are you in, Mr. Bosch?

Mr. BOSCH. Amusement business.

Mr. RICE. Amusement business. What is the name of your business?

Mr. BOSCH. Avalone Amusement Co.

Mr. RICE. Avalone Amusement Co. What does that company have to do with?

Mr. BOSCH. We operate.

Mr. RICE. Operate what?

Mr. BOSCH. We operate automatic phonographs.

Mr. RICE. You operate automatic phonographs?

Mr. BOSCH. Phonographs and pinball machines.

Mr. RICE. Five balls?

Mr. BOSCH. Yes, sir.

Mr. RICE. One balls?

Mr. BOSCH. Operate a few of them.

The CHAIRMAN. What is the name of this company, Mr. Bosch?

Mr. BOSCH. Avalone Amusement Co.

Mr. BOYLE. Senator, if I may interject this at this time: Mr. Bosch is here under a subpoena apparently directed to him in his official capacity. I have no objection to your going into his personal affairs, but inasmuch as the subpoena was directed to him and required him to produce books and records of the Amusement Association of New Orleans, I was wondering what the purpose of this questioning was at this time.

The CHAIRMAN. Well, he has already told about it, and it is rather something we are interested in.

I didn't understand. Is this Avalone Amusement Co. a corporation or is that your own business?

Mr. BOSCH. No, sir. It belongs to me. Just the name Avalone Amusement, it is. I call it Avalone Amusement Co.; it is strictly a name.

The CHAIRMAN. While we are in it, I think we might ask you, do you operate over a large section with this company?

Mr. BOSCH. No, sir; I operate approximately 30 pieces of equipment.

The CHAIRMAN. Thirty what?

Mr. BOSCH. Thirty pieces of equipment. Equipment would be one music box or one pinball machine. We may cover an area, like, if you are on Canal Street—

The CHAIRMAN. All in Orleans Parish?

Mr. BOSCH. All in Orleans Parish.

The CHAIRMAN. That is the only amusement company you have?

Mr. BOSCH. Yes.

The CHAIRMAN. You are the sole owner; you have no partners?

Mr. BOSCH. Yes, sir.

The CHAIRMAN. That is correct?

Mr. BOSCH. Yes, sir.

The CHAIRMAN. All right.

Mr. RICE. You are president of what organization?

Mr. BOSCH. Amusement Association of New Orleans.

Mr. RICE. Amusement Association of New Orleans?

Mr. BOSCH. Yes, sir.

Mr. RICE. Any other organization?

Mr. BOSCH. Not at this particular time. I would like to say this: I was elected for a period of 2 years, I think it is January 7 of this year, 1951, my time is terminated, and I am really acting now temporarily until the election is held, until they can vote in either—I may go back in or they may vote new officers. It is optional who they will vote in.

Mr. RICE. That is the Amusement Association of New Orleans?

Mr. BOSCH. Yes, sir.

Mr. RICE. What is the difference between that and the New Orleans Pinball Operators Association?

Mr. BOSCH. It is no difference at all, sir. At a meeting we decided to change the name.

Mr. RICE. About how long ago was that?

(No response.)

Mr. RICE. Well, in any event, the Amusement Association of New Orleans.

Mr. BOSCH. It may have been 10 months ago, maybe a year. It is hard to tell you exactly. You gentlemen have the records. They will speak, I am sure.

Mr. RICE. Same records, same everything else?

Mr. BOSCH. Yes, sir. Nothing has been changed but the name, which was changed to the Music Association.

Mr. RICE. Is that a member of the Coin Machine Industries?

Mr. BOSCH. Not now. In, I think it was the latter part of 1948 or part of 1949, we became what is known as an associate member. In other words, the Coin Machine Industries is, I believe, composed of the manufacturers of coin machines.

Mr. RICE. Where is the headquarters of that?

Mr. BOSCH. At the time we were a member of it, it was in Chicago.

Mr. RICE. I see. Now, then, you no longer are a member?

Mr. BOSCH. We are no longer. Our subscription ran for 1 year and we didn't renew it at the time. It went out. They came down and asked us to join. They were making a drive at that time on Damon Runyon Cancer Fund. I think some of you gentlemen may remember some of that. It was given wide publicity. That was the time we joined it.

Mr. RICE. Yes. Who were the officers of the Amusement Association of New Orleans besides yourself?

Mr. BOSCH. Mr. Ed Cramer is the vice president. Jules Perez is the secretary-treasurer.

The CHAIRMAN. All right; who else. Let's get on.

Mr. BOSCH. Mr. Louis Bozeburg is the public relations officer; and then we have a committee, I think Mr. Bozeburg is on that committee. I don't remember the names just offhand. I think you have it there.

Mr. RICE. Will it show on your letterhead?

Mr. BOSCH. Yes, sir; it will be on the letterhead.

Mr. RICE. Take some of these records down here and see if you can find it.

Mr. BOSCH. That will help a lot.

Mr. BOYLE. Have you a letterhead?

Mr. BOSCH. No.

Mr. BOYLE. Mr. Rice, do you have a letterhead of the association?

Mr. RICE. No; I don't.



Mr. BOSCH. You have a letterhead in with these books. I think you have a letterhead right there, sir.

Mr. RICE. I am afraid I have an old one here.

Mr. BOSCH. Can I look at it? I can tell you if it is the same. [Examines letterhead.] No; this has been changed, sir. Some officers at that time have left.

The CHAIRMAN. Read the officers.

Mr. BOSCH. Finance committee was Winifred Christmas, E. Manuel Lansburg, Alton J. Martin, John E. Pierce, Jr.

Executive committee was John E. Pierce, Jr., chairman, Winifred Christmas, Santa Defata, John Elms, Emanuel Lansburg, Alton J. Martin, Peter Estasa, James Talon, and Thomas Walsh.

Mr. RICE. Now, sir, I hand you a document entitled "Rules, Regulations, and Code of Ethics." Is that the current Rules and Regulations and Code of Ethics?

Mr. BOSCH. Yes, sir.

The CHAIRMAN. File that as exhibit No. 26.

(The document was marked "Exhibit No. 26" and is on file with the committee.)

Mr. RICE. Read item No. 40 there.

Mr. BOSCH (reading):

In order to help defray expenses and incidents to the purchase of city and State licenses, charity hospital, and Federal funds, etc., each operator is permitted to deduct \$3 per machine per week before paying the commission for the location.

Mr. RICE. So that says that the operator deducts \$3 a week per machine before payment for location?

Mr. BOSCH. I'm sorry, sir. It says "permitted." In other words, we do not object to it. It is not compulsory. That is up to the operator himself whether he wants to deduct it or not.

Mr. RICE. Now I am reading from an old letterhead entitled "New Orleans Pinball Operators Association. Regulations and Code of Ethics." Item No. 4 here says:

Each operator is required to collect \$3 per machine per week to help defray expenses such as city and State licenses, association dues, and miscellaneous expenses.

That is substantially different from item No. 4 that you have read. What were these "Miscellaneous expenses" that have been deleted from item No. 4?

Mr. BOSCH. At the time that was written I didn't pay too much attention to it. When I got ahold of it I didn't appreciate the way it was written, and that is the reason I had it changed. That would go in for helping pay the mechanics or any help they may have pertaining to their business.

Mr. RICE. I see. Now, did the association repair and service all of the machines of the member operators?

Mr. BOSCH. No, sir. The association does not repair any machines. Each operator maintains his own equipment and his own business.

Mr. RICE. Where do the mechanics come in?

Mr. BOSCH. The mechanics come in to the people that operate. In other words, if you are an operator or you would need a mechanic to keep your machines running.

Mr. RICE. Why would that be an expense to the association?

Mr. BOSCH. It is not an expense to the association.

Mr. RICE. It is not a miscellaneous machine expense, then. What were the miscellaneous expenses that you—

Mr. BOSCH. We don't claim it as a miscellaneous expense in the association.

Mr. RICE. No. What were the miscellaneous expenses for which the \$3 per week per machine was collected?

Mr. BOSCH. That is any miscellaneous expense they applied to.

Mr. RICE. For instance?

Mr. BOSCH. Miscellaneous expense would be applied to.

Mr. RICE. What would be one?

Mr. BOSCH. Let's say the mechanic's salary, in other words, they submit the association.

Mr. RICE. No; this is the association.

Mr. BOSCH. The association does not collect that. The association has nothing to do with that. That is a rule that he is permitted to do. In other words, he does not violate a rule if he collects \$3 from each machine. He uses this money.

Mr. RICE. Oh, I see. He does not turn this in to the association. He collects from the location?

Mr. BOSCH. No; not at all. He has nothing to do with that.

Mr. RICE. Now, sir, that says to help defray expenses such as city and State licenses. At that time what were the city and State licenses?

Mr. BOSCH. The city license was \$50. The State license was \$50. Charity Hospital—

Mr. RICE. At that time? At the time this was in effect?

Mr. BOYLE. What is the date?

Mr. RICE. 1948.

Mr. BOYLE. 1948.

Mr. BOSCH. At that time there was some difference on city licenses, in that the legislature met and the city here was not permitted to—

Mr. RICE. As a matter of fact, the city license was raised to \$50 in 1950, wasn't it?

Mr. BOSCH. No, sir. The license had been \$50, I think, by an act of legislature as far back as 1945 or 1946, but in another act—

Mr. RICE. What was the city license in 1948, without any quibbling, what was the city license? You know what it was.

Mr. BOSCH. It was \$50, but there was an act of the legislature that forbade the city to collect it.

Mr. RICE. So that they actually collected what, \$2.50 didn't they?

Mr. BOSCH. Who collected \$2.50?

Mr. RICE. The city.

Mr. BOSCH. For the year 1948? I'm afraid I misunderstood you, sir.

Mr. RICE. What was the city license? What city license were you talking about in your rules here in 1948?

Mr. BOSCH. That is the permit, the \$50-a-year permit.

Mr. RICE. What was the State license?

Mr. BOSCH. \$50 a year.

Mr. RICE. So that it was a total of \$100 for city and State license in 1948?

Mr. BOSCH. That's right.

Mr. RICE. Are you sure about that?

Mr. BOSCH. To the best of my knowledge.

Mr. BOYLE. Mr. Rice, I might offer this explanation in connection with that—

Mr. RICE. Yes.

Mr. BOYLE. The Louisiana Legislature met in the summer of 1948. Up until that meeting the city was authorized by State law to collect, if it saw fit to do so, a tax equal but not in excess of the tax imposed by the State, which was \$50 at that time. Consequently, until the legislature met in the summer of 1948, and the law became effective some time in September of 1948, there was a law which prohibited cities or municipalities or parishes from assessing a like tax. But there was actually a city tax in effect in 1948, but in 1949 there was not. And that was straightened out again in the 1950 session of the legislature.

Mr. RICE. Would I be wrong if I had the impression at one time the city license was \$2.50?

Mr. BOYLE. I wouldn't say you would be wrong.

Mr. RICE. I could be right?

Mr. BOSCH. You could be right. My recollection was it was the same as the State.

Mr. RICE. Going down to item No. 6, it reads:

All association operators must display association cards and name of company on machines. Any machine picked up without an association card will not be represented by the association attorneys nor the association.

Now I don't find that in your present regulations and code of ethics. What did you mean there by "any machine picked up?"

Mr. BOSCH. At the time the members would not identify their machines. In that manner we have cooperated with the city and the State and asked our members to buy licenses.

Mr. RICE. Now, sir, let me ask you this: What did you mean by "picked up"?

Mr. BOSCH. I am getting to that, sir.

Mr. RICE. Just give me the answer to the question.

Mr. BOSCH. If it was picked up by the police naturally we would not have our attorneys represent the case at all.

Mr. RICE. What would the police pick up the machine for?

Mr. BOSCH. If they caught them paying off on it they would pick them up.

Mr. RICE. Now the association has an attorney?

Mr. BOSCH. Yes, sir.

Mr. RICE. Who is the attorney?

Mr. BOSCH. Mr. Ed Boyle is one of them.

Mr. RICE. Who else?

Mr. BOSCH. Mr. Lancaster.

Mr. RICE. How long has Mr. Lancaster been in that capacity?

Mr. BOSCH. I think Mr. Lancaster has been since 1948, in my recollection, when I went in office.

Mr. RICE. Now, does he have any official position in this area?

Mr. BOSCH. I think he does.

Mr. RICE. What is that?

Mr. BOSCH. I believe he is a city attorney?

Mr. RICE. He is a city attorney?

Mr. BOSCH. Yes, sir.

Mr. RICE. He is also an attorney for the association?

Mr. BOSCH. Yes, sir.

Mr. RICE. Is he one of the ones who would represent a member when he had a machine picked up?

Mr. BOSCH. No, sir; not necessarily.

Mr. RICE. Could he do that?

Mr. BOSCH. He could, or Mr. Boyle could, whoever we gave the case to.

Mr. RICE. Did he do that in any cases that you know of?

Mr. BOSCH. Offhand, I don't recall any case.

Mr. RICE. Now, sir, you are president. Would you want to say he did not do that?

Mr. BOSCH. In all fairness to me, sir, I would not be in position to say whether he did or not represent any case. If there was any cases given to him as of now I don't recall. If there was he would not represent them, I am sure.

Mr. RICE. In any event, he was the attorney, and arrangements were for the association members to be represented by the association attorney if the police picked the machine up for paying off. Is that a fair statement?

Mr. BOSCH. Not only that; in any matters they would be represented. In other words, if a machine was picked up and we went to an attorney he may charge anything from three to five hundred dollars to handle the case, so in that way by having an attorney that was on a retainer fee he would handle it for us.

Mr. RICE. All right, sir. I see on this letterhead, under the heading, "Executive committee," Andrew P. Monte, chairman, Louis Bozeburg, John Elms, and Angelo Jimelli. Who is Angelo Jimelli?

Mr. BOSCH. Angelo Jimelli is a police officer.

Mr. RICE. Was he then?

Mr. BOSCH. He was at the time.

Mr. RICE. How came he to be a member of the association?

Mr. BOSCH. At that time he asked to join, and we had no reason to turn him down.

Mr. RICE. Was he an operator?

Mr. BOSCH. Yes, sir; he was.

Mr. RICE. How many machines did he operate?

Mr. BOSCH. He had around 14 or 15.

Mr. RICE. No member could belong unless he had at least five; could they?

Mr. BOSCH. If he had five; that is right. We asked that they have five machines.

Mr. RICE. I say, no member could belong unless he had at least five?

Mr. BOSCH. At least five machines.

Mr. RICE. About how many did he have?

Mr. BOSCH. I think between 14, 15, maybe 16. Approximately.

Mr. RICE. And he was on the police force?

Mr. BOSCH. Yes, sir.

Mr. RICE. What rank?

Mr. BOSCH. He was a patrolman.

Mr. RICE. Was he also assigned to the pinball squad?

Mr. BOSCH. I think later on, from what I understand. Now, this is hearsay, sir. I am not in position to prove this. I think Superintendent Waters called him in and gave him an assignment to check the pinballs and licenses and told him at the time he would have to get

out of the pinball business, and he resigned at that time and sold his route.

MR. RICE. Who did he sell his route to?

MR. BOSCH. Mr. Cramer, Ed Cramer, purchased it.

MR. RICE. Did he sell it to Mr. Copeland?

MR. BOSCH. Not that I know of. It is possible he could have sold some pieces. I can't speak for Mr. Jimelli. I do know that Mr. Cramer bought his route. Now whether he sold one or two pieces to someone else, that would be something I could not say.

MR. RICE. I notice from your journal, I believe that Jimelli appears in 1948. Then his name is scratched out and the name L. Copeland is inserted.

MR. BOSCH. We may have—if he left the association. See, we use a number in there as we go along. If he left it it's possible Mr. Copeland got his number. That's possible.

MR. RICE. That does not indicate he sold?

MR. BOSCH. No, sir; that would not mean that he purchased any machines.

MR. RICE. Is Mr. Jimelli still a member of the association?

MR. BOSCH. No, sir.

MR. RICE. Now, then, how many members do you have in the association?

MR. BOSCH. I think we have approximately 45 or 46.

MR. RICE. And those are all operators?

MR. BOSCH. Yes, sir.

MR. RICE. Do you have a record of the number of devices, pinballs, that each operator has and their location?

MR. BOSCH. We have as close a record as we can get. It is hard to get an accurate record.

MR. RICE. About what is the number of the total of the locations of the members of the association?

MR. BOSCH. I would say offhand, I think—you mean that belong to the association?

MR. RICE. Yes; how many locations in town? This is just confined to the city area.

MR. BOSCH. I am trying to clarify a question, sir. Are you talking about all machines operating in this city, or just—

MR. RICE. Yes; that belong to members of the association.

MR. BOSCH. Just to the members?

MR. RICE. Yes, sir.

MR. BOSCH. I would say maybe twelve hundred, maybe thirteen, maybe fourteen.

MR. RICE. Yes. What is the total, irrespective of whether they belong to members or not?

MR. BOSCH. I would say around 3,000 would be a close figure.

MR. RICE. Around 3,000 pinballs?

MR. BOSCH. I think so.

MR. RICE. And of the pinballs how many would you say were one-balls?

MR. BOSCH. It is a pretty hard question just to say, but I would imagine approximately six or seven hundred. I am kinda guessing at that, sir.

MR. RICE. Yes. How many operators would you say are there in New Orleans who are not members of the association?

Mr. BOSCH. Oh, I would say there may be 50, 60, maybe 70. A lot of members operate two or three machines. A lot of people own their own machines.

Mr. RICE. All right, sir. I show you a letter you produced dated March 30, 1948, from the Coin Machine Industries in Chicago, addressed to you, over the signature of James A. Billmore, secretary-manager, in which the statement is made:

Lou—

referring to Lou Bozeburg—

told me that you discussed at your meeting after I left a basis on which your entire group might support this association and our legal and tax department, but that he was not sure that you would arrive at any definite amount.

What was the proposition at that time? What support was contemplated for the legal and tax department of the Coin Machine Industries?

Mr. BOSCH. They sent one of their representatives down here and he spoke at one of our meetings and he asked if we would take an associate membership for \$100. I told him I didn't think that we would, and that is what the discussion was. Then we agreed to take two memberships at \$25 each—one for myself and one for the association.

Mr. RICE. All right, sir. Did you go for that?

Mr. BOSCH. Yes, sir; we did.

Mr. RICE. And you supported their legal and tax department then?

Mr. BOSCH. I would not say we supported it. We merely joined up with them as a friendly gesture to cooperate with them and get their good will.

Mr. RICE. Legally what benefit would that be to your association?

Mr. BOSCH. The benefit would be that any legislative bills, anything put up, they get a copy of them, mail them out to us and let us know what is going on, because the legislature from time to time has tried to raise the license from \$100 to \$150. If we don't watch our business we will be out of business.

Mr. RICE. You might say it is more of a lobbying proposition than a legal business?

Mr. BOSCH. I wouldn't know much about lobbying on it. It's just finding out what's going on. It's a man's right to protect his business, sir. If they get in there and run a license in that we can't afford to pay we would be out of business.

Mr. RICE. Is one of the operators who is a member of the association a man by the name of Teddy Geigerman?

Mr. BOSCH. There is a company in here which is the Smitty Novelty Co., whom I recently understand that Teddy Geigerman is a partner or owner, owns some interest in it. It came in the association as the Smitty Novelty Co.

Mr. RICE. Yes. I have noticed him in your records—Teddy Geigerman. Is he any relation to Frank Costello?

Mr. BOSCH. Sir, I really don't know.

Mr. RICE. Have you heard that Frank Costello's wife's maiden name was Geigerman?

Mr. BOSCH. I did hear some discussion about that.

The CHAIRMAN. I think the record shows that. Let's move on.

Mr. BOSCH. It has been in the paper, and so forth, sir.

Mr. RICE. Ewald Groetch—Is he any relation to Johnny Grosch?

Mr. BOSCH. No, sir. That is G-r-o-e-t-c-h. I don't think the sheriff spells his name that way. They have a grocery. They pronounce their name "Gretch."

Mr. RICE. Groetch?

Mr. BOSCH. Yes, sir.

Mr. RICE. Now, sir, do you receive a salary from the association?

Mr. BOSCH. No, sir; we do not. No officer receives any compensation.

Mr. RICE. How about expenses?

Mr. BOSCH. Well, in the beginning I didn't get anything. I think in 1949, and part of 1950—I would have to consult the records to be exact—I think we drew approximately \$50 a month. I think the last 3 months we were granted a raise to \$75 a month.

Mr. RICE. Raise to what?

Mr. BOSCH. \$75 a month.

Mr. RICE. So that your expenses are a fixed figure of \$75 a month?

Mr. BOSCH. They allow that and it is up to us to get along on it.

Mr. RICE. Who allows it?

Mr. BOSCH. The association itself—the members.

Mr. RICE. Now, then, these expenses; what do they consist of? What do you use the money for?

Mr. BOSCH. Well, if I have to go in town I may get a cab and come back in a cab. A location may be dissatisfied and we check it and see if the operator is treating him right and what is going on. Naturally when you walk in a place of business you have to spend a little money.

Mr. RICE. During the month do you find you sometimes spend more than \$75?

Mr. BOSCH. It has happened.

Mr. RICE. And sometimes less?

Mr. BOSCH. That is right.

Mr. RICE. The record, I believe, shows you drew a hundred dollars several months. Has there been a change?

Mr. BOSCH. A hundred dollars?

Mr. RICE. Yes.

Mr. BOSCH. I think at times there was not sufficient money in the treasury to pay me for my expenses. If you will check the records back, that is the reason for the hundred dollars. I beg your pardon, please, sir. If you will check the records farther back for 4 months we weren't able to draw anything. There was not enough money in the treasury.

Mr. RICE. What are the arrangements with Mr. Lancaster? Is he on a salary?

Mr. BOSCH. Yes, sir; he receives a monthly salary.

Mr. RICE. Is that an even figure?

Mr. BOSCH. Yes, sir.

Mr. RICE. Is it more than \$300?

Mr. BOSCH. Yes, sir.

Mr. RICE. Are there any deductions from that figure?

Mr. BOSCH. No, sir.

Mr. RICE. That is a gross figure?

Mr. BOSCH. It is a retainer fee, is what it is considered, I understand.

Would that be correct, sir?

Mr. RICE. Possibly. Now, sir, does the association have any other lawyers besides Mr. Boyle and Mr. Lancaster?

Mr. BOSCH. No, sir.

Mr. RICE. Are you associated with Mr. Lancaster, Mr. Boyle?

Mr. BOYLE. No, sir.

Mr. RICE. Who is Clem Sehrt?

Mr. BOYLE. Clem Sehrt is my law partner.

Mr. RICE. Your law partner.

Here is a check dated July 8, 1948, in the amount of \$2,400, to Clem Sehrt. Explain that. What is that for, Mr. Bosch?

Mr. BOYLE. Do you want your books for that month?

Mr. BOSCH. Yes. Let's see what this is. No; I don't know whether it was or not. I would rather consult the books. The books will show what it is.

The CHAIRMAN. All right; suppose you do.

Mr. RICE. Go ahead and consult the books.

For your information, there is another check for \$250 to Mr. Sehrt, if that will help you any.

Mr. BOSCH. What date is it, sir?

Mr. BOYLE. It probably is a contribution.

Mr. BOSCH. That is what I am looking for, the contribution.

Mr. BOYLE. Where is your receipt?

Mr. BOSCH. Do you have my receipt book, sir?

Mr. BOYLE. Not your receipt. It would be—

Mr. RICE. Here is one dated July 24, 1950, to Mr. Sehrt for \$250. What is that \$2,400 one for?

Mr. BOSCH. That is what I am trying to find, sir.

Mr. BOYLE. July 1948.

Mr. BOSCH. Oh, I remember what that is. I remember at the time, I don't think that—when the license was to be raised, raise in license \$150—and we asked for representation in Baton Rouge.

The CHAIRMAN. All right, speak up so we can hear you.

Mr. BOSCH. About this time there was a bill went in the legislature to raise the license to \$100 or \$150, and put the pinballs and the slot machines in the same class, and we didn't agree with it. We didn't want the pinball put in the same class with the slot machines, because they were two different devices and therefore we had Mr. Sehrt at that time represent us.

Mr. RICE. And that was his fee for that?

Mr. BOSCH. That was his fee, sir. I think at that time we did not have—he was not retained by us.

The CHAIRMAN. All right. Let's get on.

Mr. RICE. All right. You say there are two different devices. I think we received a letter here the other day which said they were one-armed bandits, and one-ball bandits.

Mr. BOSCH. Well, that is possible. People will say those mean things. I mean there is quite a bit of difference in the operation.

Mr. RICE. Here is a check dated December 16, 1949, drawn to L. Scanlan in the amount of \$100. What would that be in connection with?

Mr. BOSCH. That was a donation for campaign, sir. The check is marked at the top.

Mr. RICE. What was Mr. Scanlan campaigning for?



Mr. BOSCH. I believe civil sheriff.

Mr. RICE. Civil sheriff?

Mr. BOSCH. Yes, sir.

Mr. RICE. Did he become civil sheriff?

Mr. BOSCH. Yes, sir.

Mr. RICE. In his job as civil sheriff does he have anything to do with the licensing of tax or stamps or what not?

Mr. BOSCH. Not to my knowledge, sir.

Mr. RICE. Now, then, I take it from your answer that the association makes contributions to political campaigns.

Mr. BOSCH. The association itself doesn't make it; the members make it, and it is handled through the association.

Mr. RICE. All right, sir. The association is doing it for the members?

Mr. BOSCH. That is right, sir.

Mr. RICE. It is a concerted proposition. Now, then, how are the political candidates selected that will be supported by contribution through the association, or the association through the members?

Mr. BOSCH. I am afraid I don't follow you.

Mr. RICE. How do you make your selection if there are two or more candidates running for office? What determines which candidates you will support and in what amount?

Mr. BOSCH. We don't pick any special candidates; we probably give to all of them.

Mr. RICE. You probably give to all of them? In equal amounts?

Mr. BOSCH. Sometimes in equal amounts, more or less. Not necessarily equal amounts; we might give one more than the other.

Mr. RICE. Would that vary greatly, or—in other words, would you try to pick a winner, or—

Mr. BOSCH. Well, naturally. It depends on the office. If a man is running for governor it requires more money. If he's running for mayor it requires more money than if he is running for a small office. For instance, in the election of school-board officers a couple of months ago, which is a small election, we would give a small amount.

Mr. RICE. Let's break this down as to amounts. Suppose someone was running for Governor. About what would the association contribute—approximately?

Mr. BOSCH. It depends on what we could give. If the boys by throwing in together could get 8 or 10 thousand together, we would decide if there was a three-faction run, we would split it accordingly. If we liked one faction a little better than the other we would give him a little more than the other. Maybe we don't have a man that is a friend of ours. We would try to pick the man that would do a better job.

Mr. RICE. Who would control the selection of who would get the most?

Mr. BOSCH. I beg your pardon, sir?

Mr. RICE. Would that be by vote of the membership, the board, or the president?

Mr. BOSCH. No, that would be—the members would agree. If any member had a friend in there we thought would be good, a good governor for the city, we would be willing to support him.

Mr. RICE. In a general membership meeting?

Mr. BOSCH. That is right.

Mr. RICE. Now, sir, how much would the contributions vary for, say, the office of mayor? What would be the largest amount that might be given, and what would be the smallest, for one candidate?

Mr. BOSCH. Well, we had a peculiar election in our last election, and we supported Mayor Morrison rather heavily. We became—knew he had done a good job in office and we tried to put him back. I think he has continued to do a good job.

Mr. RICE. Would you say that you supported him in excess of four figures?

Mr. BOSCH. Definitely we supported him much more heavily than any other candidate.

Mr. RICE. And some candidates as little as a hundred dollars?

Mr. BOSCH. I think we gave a little more than that to a lesser candidate. I think it was several hundred dollars.

Mr. RICE. All right, sir.

The CHAIRMAN. Well, for the city campaign, how much did you give? Did you give \$8,250 to the Morrison campaign?

Mr. BOSCH. I think you have the complete records there, sir, what was given.

The CHAIRMAN. All right, read it off?

Mr. BOSCH. Yes. This is it, sir. Do you want me to read it off?

The CHAIRMAN. Well, the mayoralty campaign, what was it?

Mr. BOSCH. Morrison campaign was \$8,250.

The CHAIRMAN. Who were the other candidates for mayor?

Mr. BOSCH. Zatarian was \$5,000.

The CHAIRMAN. Was he a candidate for mayor?

Mr. BOSCH. Yes, sir; and Cobb was candidate for mayor.

The CHAIRMAN. What did you give to him?

Mr. BOSCH. That was \$150.

Mr. ALVIN COBB. That is not true. That is a trumped up—

Mr. BOSCH. Sir, you have the signed receipt here, what I am reading.

The CHAIRMAN. Just a minute. Mr. Cobb says he didn't get any.

Mr. BOSCH. Sir, you have his signed receipts.

Mr. COBB. That is not so.

Mr. BOSCH. Sir, you have his signed receipts.

Mr. COBB. That is not so.

The CHAIRMAN. Show it to Mr. Cobb and see if he recognizes the receipt.

Mr. BOSCH. Sir, he signed it.

(The receipt was thereupon handed to Mr. Cobb.)

Mr. COBB. It is a forgery.

Mr. BOSCH. Sir, he signed it.

Mr. COBB. It is a forgery. He and Detective Frank Marullo—

The CHAIRMAN. Just a minute. Wait a minute.

Mr. COBB. Detective Dayton tried to frame me—

The CHAIRMAN. Mr. Cobb, Mr. Cobb.

Mr. COBB. Many a time, because I had the goods on him.

The CHAIRMAN. If it is not your receipt—

Mr. COBB. You're mighty right it's not my receipt.

The CHAIRMAN. All right, we want to—we will correct it then if it is not your receipt. Just sit down back there where you are.

Mr. COBB. O. K. When you are ready I have everything here, my identification papers and all.

The CHAIRMAN. All right, you just sit down.

Mr. COBB. A last-minute frame-up. You won't get away with it.

The CHAIRMAN. Now there is something I want to—well, in other words, I take it your people have a meeting and you just sort of decide what the consensus is and then act as a unit rather than as a—

Mr. BOSCH. Yes, sir; we do. Instead of acting as each individual we try to act as a unit.

(Mr. Boyle hands document to the chairman.)

The CHAIRMAN. Show that to Mr. Cobb. See if he recognizes it.

Mr. COBB. Senator, I sent you plenty communications.

The CHAIRMAN. If that isn't yours you can say so.

Mr. RICE. We'd better have him sworn if he's going to testify.

Mr. COBB. Of course not. Here's my signature.

The CHAIRMAN. Sit down, Mr. Cobb. We will give you a chance to deny it.

Mr. COBB. Take this back. It's not my signature.

The CHAIRMAN. Mr. Cobb, if you can't be quiet we will have to have you put out of the hearing room.

All right, Mr. Rice.

Mr. RICE. Now, sir; do any of the operators receive payments from the association for any reason?

Mr. BOSCH. Clarify that a little. What do you mean by payments, sir?

Mr. RICE. The dues and the money is a one-way proposition: It comes in from the operators in the association and out for campaign contributions and other expenses. Is that not correct? Is that a fair statement?

Mr. BOSCH. If I follow you I might get with you.

Mr. RICE. All right.

Mr. BOSCH. In other words, let's say the operator comes in and pays his dues. Let's say his dues are \$15, and he pays \$15?

Mr. RICE. Yes.

Mr. BOSCH. You want to know what happens to that money?

Mr. RICE. No. I am asking if any of that money goes back to him for any reason.

Mr. BOSCH. He does not get any of it back unless he does some work for the association. If we send him somewhere and he is out some expense I would pay him. If he uses his car to make a trip to see something, and so forth, he will get it back. If it were not used, if we should abandon the association, any moneys left would be equally divided.

Mr. RICE. When an operator or member receives some payment of that type, do you keep voucher or receipt or invoice or notation of the expense, the purpose of it?

Mr. BOSCH. Yes, sir; like this here. Whatever is spent we get a notation or voucher.

Mr. RICE. I show you a check dated March 2, 1948, No. 7, and drawn to A. Jimelli, in the amount of \$70.70. I wonder if you can tell me what that check is for?

Mr. BOSCH. Yes; I believe I can tell you what that is. Let's see. That was in 1948. There was an election at that time. At this time Mr. Jimelli, as you will see by the record, was an officer of this company. He was on a committee.

Mr. RICE. Yes; and he was also on the police department.

Mr. BOSCH. That is right, sir. We picked him, and I think two or three other men, on a committee which you have some checks there that will show, to take up a donation which at that time we had not been getting a donation. We went to the boys and asked them to make a donation for this campaign, and we gave them 10 percent for collecting. In other words, for their expense, the use of their car, and trouble they received 10 percent, and there are two or three more checks besides this.

Mr. RICE. Let me see if I have that clear. This police officer then went out and did some collecting of what kind?

Mr. BOSCH. Sir; not to interrupt you, but we did not send him out as a police officer. He, to us, was an operator. I sent him out as a member, not as a police officer.

Mr. RICE. As a matter of fact, he was a full time police officer, was he not?

Mr. BOSCH. Sir; I don't know.

Mr. RICE. Can you separate the man?

Mr. BOSCH. I can't tell you he is a full time. I don't know whether after 8 hours they are free to work, or what it is. That I can't truthfully answer.

Mr. RICE. What did he do?

Mr. BOSCH. He went out to the members and explained we were taking up donations for this campaign, and asked them what they want to give.

Mr. RICE. Yes.

Mr. BOSCH. Whatever amount they would give he gave them a receipt for it.

Mr. RICE. I take it he was fairly persuasive.

Mr. BOSCH. That is a question I can't answer you. The other men brought in an equal amount of money, sir. I don't know why he would be more persuasive than the other ones.

Mr. RICE. I show you a check dated April 8, 1950, drawn to the Police Mutual Benefit Association in the amount of \$30.

The CHAIRMAN. Well, I think, to expedite this, I find a whole lot of checks in here to Louisiana Sheriffs Magazine, \$125.

Mr. BOSCH. That is right, sir.

The CHAIRMAN. New Orleans police pension fund, \$100; and several to the pension fund, and several to the Sheriffs Magazine.

Mr. BOSCH. I think there are two to the Sheriffs Magazine, twice. They asked those. We took ads in the magazine.

The CHAIRMAN. Yes. What this really amounts to, isn't it, Mr. Bosch, the individual operators can pay their dues and they are charged off as a business expense and it comes to you and you make contributions to charities and to benevolent funds, and also political campaigns?

Mr. BOSCH. Well, on the political campaign, they get a receipt, and there is why the political contribution is not tax free.

The CHAIRMAN. But you put all the money in one pot?

Mr. BOSCH. No, sir. We do not.

The CHAIRMAN. You do not?

Mr. BOSCH. Not on the political campaigns. We keep that separate.

The CHAIRMAN. So when some amount is collected from an operator for a political campaign, does he specify what candidates he wants it to go to?

Mr. BOSCH. No, sir; he does not at the time that we make a donation all of that is consulted and what we will approximately give to each candidate.

The CHAIRMAN. Aside from the dues. You don't put the dues in the political campaigns; you go around and collect additional amounts?

Mr. BOSCH. We don't go. I mean they come to the office. We have a secretary. They pay their dues and receive a receipt for it.

The CHAIRMAN. I mean the dues do not go into political campaigns.

Mr. BOSCH. No, sir. The actual dues, in other words, money that it costs to run the organization, does not go in with the political campaign. That is kept separate.

The CHAIRMAN. You decide then, your board of directors or your political group, who you want to get behind, and then let the members know some way or another; anyway, they do find out and they come around and make a donation which is then used for the campaign?

Mr. BOSCH. That is right, sir.

Mr. RICE. Who is this Gambino, \$3,000?

Mr. BOSCH. Dr. Frank Gambino. He ran for one of the city commissioners.

The CHAIRMAN. It is usually your practice to put something on everybody's side, isn't it?

Mr. BOSCH. Yes, sir.

The CHAIRMAN. Now, the purpose of that is whoever gets elected you have got a little influence?

Mr. BOSCH. Well, I would not put it that way, sir. Dr. Gambino is a friend of mine, and—

The CHAIRMAN. I am not talking about Dr. Gambino; I am talking about the general practice of helping everybody so that nobody can take any particular offense against you supporting one fellow.

Mr. BOSCH. That is the way we feel, sir. We help them all and make no enemies like that.

The CHAIRMAN. That is a fair enough answer.

Mr. BOSCH. We feel we are being fair by doing it.

Mr. KLEIN. May I ask a question?

The CHAIRMAN. Let me ask this: Do you get \$3 a year? Is that what you get from each one of these places?

Mr. RICE. A week, per machine.

The CHAIRMAN. How much are the dues?

Mr. BOSCH. The dues: Here they are here, sir.

The CHAIRMAN. \$3 a month, or \$3 a week?

Mr. BOSCH. No, sir. The dues are here. In 1948.

The CHAIRMAN. I know. What is the rate of your charge?

Mr. BOSCH. It is a charge per month.

The CHAIRMAN. How much is it per month?

Mr. BOSCH. In 1948 the dues were ranging amounts on machines. In other words, if a man's got 10 machines, it isn't fair to charge him as much as a man that may have 50, and the boys were dissatisfied about that. As we went on we continued to make changes. For instance, ordinarily we had one operator that may have 20 machines. We may ask him to pay \$25. Another man had 10 machines, we may ask him to pay \$10 or \$12. Some of the smaller operators felt that the larger operators were not paying enough; they wanted them to pay according to the number of machines, so in 1950 here we reached

an agreement about 3 months ago of an average of approximately \$2.50 a machine per month. That way for each operator it would be fair to him. Fifty cents would be set aside over a period of several months until we had a few dollars put aside for our contributions.

The CHAIRMAN. \$2.50 per machine per month. That would be about \$4,000 per month.

Mr. BOSCH. No, sir. It does not amount to that. The figures are right here. I have the figures right here.

The CHAIRMAN. I thought you had about 1,400 members.

Mr. BOSCH. I told you, sir, approximately.

The CHAIRMAN. It would be about \$3,500.

Mr. BOSCH. I can give them to you exactly here, sir. Here is one for December of 1950. Do you want me to read it to you?

The CHAIRMAN. Just the total number you have.

Mr. BOSCH. The total number of it: This is disbursements on this side.

Mr. BOYLE. Collections, \$1,971.

Mr. BOSCH. \$1,971, sir.

The CHAIRMAN. All right.

Mr. RICE. What would your total income from dues be in a year?

Mr. BOSCH. Sir, I would have to take all this and add it together to find out.

Mr. RICE. Approximately? You must know what your annual take is.

Mr. BOSCH. Sir, we don't have a budget. We run from month to month. These boys can disband this association any time they want to.

Mr. RICE. You are the president now. What is the total of the dues for a year, approximately?

Mr. BOSCH. Sir, I will still have to check it because we just recently agreed to go on this machine basis. Previous to that, back in here—

Mr. RICE. All right, let's take back in a year that is past, like 1948, 1949, or 1950; any year.

Mr. BOSCH. I would still have to check each record to find the amount, sir, to give you a proper answer.

Mr. RICE. Would it be more than \$100,000?

The CHAIRMAN. Let's get on.

Mr. RICE. More than \$100,000?

Mr. BOSCH. It would not be nowhere near that per year.

Mr. RICE. What would it be?

Mr. BOSCH. You are asking me an unfair question, sir; you are trying to force an answer without me looking at my records. How can I do that?

Mr. RICE. If you can't answer, that's your best answer.

Mr. BOSCH. Sir, I'm trying to help you. I don't want to lie to you. My records are here.

Mr. RICE. Let me ask you this. Did you ever tell anyone, operator or prospective operator or person in the location, that you could make the arrangements for the return of any machines seized as the result of police raids, and that you would be able to furnish legal service through Blair Lancaster?

Mr. BOSCH. No, sir. That would be impossible. I could not get any machines back at any time. If a man's machine is picked up, it is up to him to plead the case or have the attorney plead it. If he

pleads guilty, the machines can be gotten back because they are not considered gambling devices.

Mr. RICE. You are quite sure you never told that to anyone?

Mr. BOSCH. Definitely not. I don't even ask anyone to join the association, sir.

Mr. RICE. You never told anyone that?

Mr. BOSCH. No, sir.

Mr. RICE. All right, sir.

The CHAIRMAN. You just have pinball machines. You don't have any slot machines?

Mr. BOSCH. No, sir; I do not. Just pinballs.

Mr. RICE. Do you operate in more than one county?

Mr. BOSCH. No, sir.

The CHAIRMAN. And you have all kinds of pinball machines, different kinds?

Mr. BOSCH. Well, different makes. Chicago Coin, Gottlieb, Jennings Co.

The CHAIRMAN. Some of these operators in your association have slot machines out in the other counties?

Mr. BOSCH. Sir, I wouldn't know. To my knowledge, I don't know. It is possible, though.

The CHAIRMAN. Now, if you have done Mr. Cobb a wrong here, I think this ought to be cleared up. Here is what purports to be a receipt.

Mr. BOSCH. Sir, this man got this money and signed a voucher. Everyone else that signed the voucher got the money. I have no reason to bring a voucher in: I have nothing against Mr. Cobb, sir.

The CHAIRMAN. That seems to be a cash receipt voucher.

Mr. BOSCH. That is what it is, sir.

The CHAIRMAN. Were you there?

Mr. BOSCH. Yes, sir. He definitely got the money.

The CHAIRMAN. He came to see you about it?

Mr. BOSCH. That's right; right in my office, sir. I have two witnesses that he was in there getting it. Sir, I'm not here to do anybody any harm.

Mr. COBB. May I say something?

The CHAIRMAN. I just want to ask you that question.

Mr. COBB. I wish you would have my signature verified at the Whitney National Bank, and all over. You will acknowledge I am an intelligent man, and I was opposing the racketeers like he and Morrison, and why would I give him a receipt for \$150?

Mr. BOSCH. Sir, I think Mr. Cobb is out of order, talking about racketeers.

The CHAIRMAN. All right, Mr. Cobb, just a minute. The only question was this gentleman says that you got this money, that he made a contribution, he made contributions to the others, that yours was less than the others, and that he was there and had two witnesses that you got the money, and your signature is on here. I don't know whether it is your signature or not. I just wanted to give you an opportunity of saying whether you got it or not. You raised some question. I didn't want anything else. If you wish to reply to that, I mean one way or the other—

Mr. COBB. I didn't hear you, sir.

The CHAIRMAN. I say, did you get the money or not? You made some question about it.

Mr. COBB. I firmly and emphatically deny that I received it. I was a candidate for mayor, and I can furnish by radio station WNOE all my talks opposing his racket, Lancaster's, and Morrison's. Surely he would not give me \$150. I would not be so simple to give something like that, a receipt for it. I never was that stupid.

The CHAIRMAN. This is, of course, \$750—

Mr. COBB. I thought it was \$150.

The CHAIRMAN. Sit down, please. This is \$750.

Mr. COBB. Not for \$7,000 would I deal with rats like that.

The CHAIRMAN. Sit down, Mr. Cobb.

Deputy Marshal BURGESS. Order.

The CHAIRMAN. Now, Mr. Bosch, you were there personally. Who were the people present when he signed this receipt?

Mr. BOSCH. My wife was in there, and—my wife was in there, and I think a little secretary. I am most sure. I would like to ask her, to be sure, sir.

The CHAIRMAN. All right. Now, the last entry here is \$2.50 per month per machine. What are the current dues?

Mr. BOSCH. That is them, sir. That is what the boys agreed on, \$2.50 per machine. That is for a period of several months until they build up their bank balance. If you will look at it you will know the bank balance is less than \$100.

The CHAIRMAN. As I understand your position, Mr. Bosch, you are trying to promote good trade practices among these operators—

Mr. BOSCH. Yes, sir.

The CHAIRMAN. To keep out bad operators, and so forth.

Mr. BOSCH. We try to screen them, sir, to the best of our ability.

The CHAIRMAN. And that you are trying to keep public opinion from getting down on the operations.

Mr. BOSCH. That is right, sir.

The CHAIRMAN. And that you don't promote any gambling or anything of that sort with them.

Mr. BOSCH. We do not, sir.

The CHAIRMAN. What if you found out some of them are gambling with their machines?

Mr. BOSCH. We advise them not to. If necessary we would not let them stay in the association. We also don't want them to make a practice of putting machines close to schools, because it creates an ill will which we don't appreciate. It puts bad will on the machines we are operating.

Mr. KLEIN. Mr. Bosch, you said there were about 3,000 machines in the city.

Mr. BOSCH. I said approximately, sir. I wouldn't want to be held to that. It may be 2,800; it may be 3,100.

Mr. KLEIN. Mayor Morrison testified yesterday that there were only 2,000 licenses issued.

Mr. BOSCH. That is possible, sir.

Mr. KLEIN. Now, would it be a fair assumption then that there are a thousand unlicensed machines operating?

Mr. BOSCH. Sir, some operators will not buy a license. They don't want to buy a license. They think they don't have to. That is the reason some of them won't join the association, because in our associa-



tion we want our men to buy a license. They are running a business and we want it licensed.

Mr. KLEIN. I merely want to know, sir, if it is fair to assume there are about a thousand machines operating without a license?

Mr. BOSCH. It's possible, sir.

The CHAIRMAN. All right. That's all.

(Witness excused.)

(Short recess.)

(Mr. Beauregard Miller was called as a witness, sworn by the Chairman and asked to stand aside until his counsel was present.)

The CHAIRMAN. Suppose while we are waiting for his lawyer that we let any other witnesses who are outside come in. Let any other witnesses come in and sit down if they are not already in the hearing room.

Mr. Knop, have you advised with the various witnesses as to whether any of them want to be heard?

(Bench conference with Mr. Knop.)

The CHAIRMAN. Mr. Knop, will you invite all of the witnesses with their lawyers, or all of the witnesses to come in and sit in the hearing room, so we can talk to them.

(Whereupon, the witnesses who had been excluded from the courtroom were permitted to enter and to hear the remaining portions of the hearing.)

#### TESTIMONY OF GEORGE REYER, NEW ORLEANS, LA., ACCOMPANIED BY WARREN O. COLEMAN, ATTORNEY, NEW ORLEANS, LA.

Mr. COLEMAN. I am just going to put those same reservations in with reference to the quorum and that the witness here appears not voluntarily but by compulsion. Please reserve that to me and note that as an exception.

The CHAIRMAN. We understand.

Let's get down to the pertinent questions.

Mr. RICE. Your name is George Reyer?

Mr. REYER. Yes, sir.

The CHAIRMAN. Will you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. REYER. I do.

Mr. RICE. Where do you live, Mr. Reyer?

Mr. REYER. 4044 Vendome Place.

Mr. RICE. Now, sir, were you formerly chief of police somewhere?

Mr. REYER. Yes, sir; superintendent of police here in New Orleans.

Mr. RICE. How long were you superintendent of police in New Orleans?

Mr. REYER. About 15 years; a little better. About 28 years and 7 months in the department.

Mr. RICE. When did you leave the department?

Mr. REYER. 1946.

Mr. RICE. 1946?

Mr. REYER. The beginning of the year—in May.

Mr. RICE. What could you do now, sir—what is your business now?

Mr. REYER. Well, I don't particularly have any business. I am doing some investigating work for the Daily Sports News.

Mr. RICE. You do investigative work for the Daily Sports News?

Mr. REYER. Yes, sir.

Mr. RICE. What is the Daily Sports News?

Mr. REYER. Well, my job is to check and see if anybody is tampering with the lines they use—services.

Mr. RICE. They are in the racing-wire-service business?

Mr. REYER. Yes, sir.

Mr. RICE. Who is the boss of that outfit?

Mr. REYER. A man named Fogarty is the only man I know.

Mr. RICE. John Fogarty, the witness that appeared previously?

Mr. REYER. Yes, sir; yesterday.

Mr. RICE. What are your particular duties with the Daily Sports News as an investigator?

Mr. REYER. To see if anything is tapping on the lines, see if anybody is making a tap on the lines, cutting the lines or anything.

Mr. RICE. How do you do that?

Mr. REYER. Drive around throughout the city.

Mr. RICE. Do they have customers?

Mr. REYER. Yes; they have customers.

Mr. RICE. And are they located in the city?

Mr. REYER. In the city and out of the city.

Mr. RICE. Where are some of the customers of the Daily Sports News who have lines in the city?

Mr. REYER. The ones I mostly handle are in the country parishes.

Mr. RICE. Most of them are in the parishes?

Mr. REYER. Yes, sir.

Mr. RICE. Do you know of any in the city?

Mr. REYER. Offhand, no; I don't know. There was one, I believe, around St. Charles Street, 300 block St. Charles.

Mr. RICE. Was that a handbook?

Mr. REYER. It was.

Mr. RICE. Is that still running?

Mr. REYER. I don't know.

Mr. RICE. Where was that, on St. Charles?

Mr. REYER. In the 300 block, I believe.

Mr. RICE. What was the name of the customer?

Mr. REYER. I wouldn't know, sir.

Mr. RICE. Was it upstairs?

Mr. REYER. Yes, sir.

Mr. RICE. Is it still running?

Mr. REYER. I don't know, sir.

Mr. RICE. You are an investigator, are you not?

Mr. REYER. Yes, sir.

Mr. RICE. When you check a wire, what do you do? Who are you looking for to be tapped onto the wire?

Mr. REYER. See if anybody is tapped on the wires; see if the wires are tapped.

Mr. RICE. Why would anyone tap the wires?

Mr. REYER. I wouldn't know, sir. That is the purpose of my job.

Mr. RICE. This is a Western Union wire you are talking about?

Mr. REYER. Yes; a service wire.

Mr. RICE. Have you ever been a telephone man?

Mr. REYER. No.

Mr. RICE. Have you had telephone-tap training?

Mr. REYER. No; but I am a pretty good investigator in the police department.

Mr. RICE. Do you know how to put on a telephone tap?

Mr. REYER. No, sir.

Mr. RICE. How do you find a tap?

Mr. REYER. You can tell a telephone wire that's tapped.

Mr. RICE. How can you tell?

Mr. REYER. Well, you can see the wires running off another line.

Mr. RICE. You trace the wire; if you see anything running off of it you know it's tapped?

Mr. REYER. Yes, sir.

Mr. RICE. Now, then, have you ever found a tap?

Mr. REYER. No, sir.

Mr. RICE. How long have you been doing that?

Mr. REYER. I guess about 4 years, I imagine.

Mr. RICE. Were you employed by Daily Sports News before that?

Mr. REYER. No, sir.

Mr. RICE. Now, before 1946 did you receive any pay from the Daily Sports News?

Mr. REYER. No; I was working for the city of New Orleans.

Mr. RICE. And while you were working for the city of New Orleans you received no pay from Daily Sports News?

Mr. REYER. None whatsoever.

Mr. RICE. And immediately upon your separation from employment by the city of New Orleans did you go to work for the Daily Sports News?

Mr. REYER. I don't know whether it would be immediate or not, but somewhere around that time.

Mr. RICE. Is that a full-time job, sir?

Mr. REYER. Yes, sir.

Mr. RICE. Now, then, do you know—

Mr. REYER (continuing). It's an investigator's work. That has been mostly my line.

The CHAIRMAN. Well, I take it the purpose is to see whether somebody is stealing the information off the wire?

Mr. REYER. Yes, sir. Either that or stealing or cutting in on it.

Mr. RICE. Now, sir, do you have any connection with the 407 Club?

Mr. REYER. I did. No, sir; I don't have any now.

Mr. RICE. When did you have a connection with the 407 Club?

Mr. REYER. A few years there around 1946; 3 or 4 years, starting 1946. Around 1946-47.

Mr. RICE. What was your connection?

Mr. REYER. I was a partner in the club.

Mr. RICE. You were a partner in the club. What kind of club was it?

Mr. REYER. It was a club that constituted sports.

Mr. RICE. Was it a gambling club?

Mr. REYER. That's it.

Mr. RICE. Did you participate in the profit of the 407 Gambling Club?

Mr. REYER. Yes, sir.

Mr. RICE. Were you connected with the club when you were superintendent of police?

Mr. REYER. No, sir.

Mr. RICE. Were you connected with any gambling club when you were superintendent of police?

Mr. REYER. No, sir; none whatsoever.

Mr. RICE. How about the Monticello Club?

Mr. REYER. No, sir.

Mr. RICE. How did you become connected with the Monticello Club?

The CHAIRMAN. He said he was not.

Mr. REYER. He said when I was superintendent of police, Mr. Kefauver.

Mr. RICE. You are connected with the Monticello Club, are you not?

Mr. REYER. Not now.

Mr. RICE. You have been?

Mr. REYER. My interest in the 407 Club was connected in there.

Mr. RICE. You had 407 and Monticello both?

Mr. REYER. Tied in together; yes, sir.

Mr. RICE. The same ownership.

Mr. REYER. I think they had some others.

Mr. RICE. Who were the partners in the 407?

Mr. REYER. Mr. Mills and his son and myself. Three of us.

Mr. RICE. Henry Mills?

Mr. REYER. No, sir.

Mr. RICE. What Mills?

Mr. REYER. Mr. Frank and his son Alton.

Mr. RICE. Frank and his son, Alton. How about the Monticello Club?

Mr. REYER. I have never been in that place.

Mr. RICE. You didn't have any interest in that?

Mr. REYER. Yes; but I have never been in it.

Mr. RICE. What was your interest? Were you a partner?

Mr. REYER. The 407 Club was a part of it.

Mr. RICE. I don't get the distinction.

Mr. REYER. 407 was a part of the Monticello Club.

Mr. RICE. It was all in the same place?

Mr. REYER. That is right.

Mr. RICE. I see. So it was the same ownership?

Mr. REYER. Practically. I don't know who all was in the Monticello Club.

Mr. RICE. Now, sir, did you have an interest in the Club Forest?

Mr. REYER. Not a nickel's worth; never have.

Mr. RICE. Have you ever received any money from the Club Forest?

Mr. REYER. Not a nickel's worth.

Mr. RICE. Did you ever announce that you had an interest in the Club Forest?

Mr. REYER. Never did.

Mr. RICE. Never made a statement to that effect?

Mr. REYER. If I did it would be in a joke of a way; there never was no truth in it. I did not have any and don't have any now.

Mr. RICE. Do you know Osmond Litolf?

Mr. REYER. I know Litolf all my life, practically.

Mr. RICE. Did you have any business connection with him?

Mr. REYER. None whatsoever.

Mr. RICE. Now, do you have any interest in the Riverview Club?

Mr. REYER. No, sir.

Mr. RICE. Have you ever had?

Mr. REYER. 407 Club had an interest in it.

Mr. RICE. What was that? All the same place, all the same address?

Mr. REYER. No; it was a different address.

Mr. RICE. Different club?

Mr. REYER. Yes, sir.

Mr. RICE. Same group running three operations.

Mr. REYER. There were other people in the other places, and the 407 Club—

Mr. RICE. Who were the principals in the Riverview Club?

Mr. REYER. I wouldn't know, sir.

Mr. RICE. Who were the principals in the 407 Club. They were the same ones, were they not?

Mr. REYER. Mr. Mills and his son.

Mr. RICE. The same group and you?

Mr. REYER. That is right.

Mr. RICE. Now, then, no longer have you interest in any of these clubs?

Mr. REYER. Nothing. None whatsoever.

Mr. RICE. Your only business interest today is this—

Mr. REYER. I am an investigator for the Daily Sports News.

Mr. RICE. Wasn't Henry Mills in the Riverview Club?

Mr. REYER. He could have been. I would not know, sir.

Mr. RICE. While you were part of the partnership?

Mr. REYER. He could have been. I don't think I have been in that place twice in my life. He could have been partner; yes, sir.

Mr. RICE. Do you live in Orleans Parish?

Mr. REYER. Yes, sir; on Vendome Place.

Mr. RICE. Now, then, you were at one time president of the American Police Superintendents?

Mr. REYER. No; it was the International Chiefs of Police Association.

Mr. RICE. You were at one time president of the International Association of Chiefs of Police?

Mr. REYER. Yes, sir.

Mr. RICE. How long ago was that?

Mr. REYER. 1937, I think. 1937.

Mr. RICE. Now, sir, don't you have some other appointment here recently?

Mr. REYER. Well, an honorary position, civil service board.

Mr. RICE. Honorary position with the civil service?

Mr. REYER. No salary.

Mr. RICE. Tell us about that?

Mr. REYER. It is the civil service commission. I imagine people know what that is.

Mr. RICE. What is that?

Mr. REYER. Civil service commission. It's made up to protect employees in their jobs, to keep people from being removed for political reasons.

Mr. RICE. You are an honorary member of the civil service commission?

Mr. REYER. I am a member of it. The job is an honorary job.

Mr. RICE. Aren't you an actual member of the commission?

Mr. REYER. That is what it is.

Mr. COLEMAN. He means he does not get a salary.

Mr. REYER. I don't get no salary. No salary is attached to the job.

Mr. RICE. I'll read you a bulletin here:

Former Superintendent of Police George Reyer has been appointed by Gov. Earl K. Long as a member of the city civil service commission to fill the vacancy created by the expiration of the term of Joseph Montgomery; in accordance with the 1948 amendment of the city civil service law two members of the commission are appointed by the Governor of Louisiana, the third member is appointed by the Commission Council of the City of New Orleans. Other members are Herman Barnett and Edward D. Rapier.

The CHAIRMAN. What is the date of that, January 15?

Mr. RICE. January 15, 1951.

Mr. REYER. Yes, but November is when I went on it. I have been on it about 3 months.

Mr. RICE. Now, sir, you say that at this time you do not have directly or indirectly any interest in a gambling establishment or enterprise?

Mr. REYER. None whatsoever.

Mr. RICE. But you remain on as an investigator for the Daily Sports News?

Mr. REYER. Yes, sir.

The CHAIRMAN. Anything else?

Did you have an interest in the Bank Club?

Mr. REYER. No, sir. I heard of the place but I have no interest in it.

The CHAIRMAN. Does Raymond Fizaldi have any?

Mr. REYER. I don't know him, Mr. Kefauver. I can't place the name. As a matter of fact, I know of the Bank Club. I hear of it, but I don't even know where it is at.

The CHAIRMAN. All right.

Mr. REYER. Am I released from the subpoena?

Mr. KLEIN. You remain under subpoena.

The CHAIRMAN. We will let you know if we want you any more. (Witness excused.)

The CHAIRMAN. All right, Mr. Miller, will you come around?

Mr. Weinstein, you are here now, I believe.

Mr. WEINSTEIN. Mr. Chairman, I want to say this to you: That I apologize for not being here when you called his case.

The CHAIRMAN. That is all right.

Mr. WEINSTEIN. I have been here for 2 days and last night; and it just happened at that time.

The CHAIRMAN. That would be the time when we called you.

Mr. WEINSTEIN. Not through any fault of yours; it is my fault.

The CHAIRMAN. Now, I will say, Mr. Weinstein, and Mr. Miller, what we want to ask your client about, Mr. Miller about, is as town marshal out here, if he knows about this operation why he does not do something about it. That is all.

Mr. WEINSTEIN. Well, may I say something, Mr. Chairman, please, sir?

The CHAIRMAN. Yes. But make your objection.

Mr. WEINSTEIN. I will make it very brief.

The CHAIRMAN. Very brief.

Mr. WEINSTEIN. Yes, sir; very brief. I know that you will permit me to say a few words. After all, he is town marshal, and we think a respected citizen of his community, and since you are so kind as to tell me the purpose of the questioning, and just exactly what you will ask him, I think I would like to consult with Mr. Miller first and then I would like to say something else to Your Honor, if you will just give me a minute.

The CHAIRMAN. All right. If you will consult——

Mr. WEINSTEIN. If I can get away from this microphone.

The CHAIRMAN. All right. You take him around back here to consult.

Is Mr. Fogarty here?

Mr. WEINSTEIN. I won't take too long.

**FURTHER TESTIMONY OF JOHN J. FOGARTY, NEW ORLEANS, LA.,  
ACCOMPANIED BY WARREN O. COLEMAN, ATTORNEY, NEW  
ORLEANS, LA.**

(Mr. Fogarty was previously sworn by the chairman.)

The CHAIRMAN. Mr. Fogarty, when we last talked with you you were going to find out, I believe, who you paid for your wire service. I think we asked you to find that out.

Mr. COLEMAN. I think the question he was to find out was how long it was that he started to purchase from Continental, and he found that out.

The CHAIRMAN. Yes, and if he sometimes—all right, did he find that out?

Mr. FOGARTY. 1939.

The CHAIRMAN. That is when you started with the Continental?

Mr. FOGARTY. That is right.

The CHAIRMAN. Did you also check to see whether it was Continental you paid or whether it was the Illinois Sports News?

Mr. FOGARTY. Continental Press.

The CHAIRMAN. You got it directly from Continental? I mean you paid Continental yourself?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. And you didn't go through any Illinois Sports News?

Mr. FOGARTY. No, sir.

The CHAIRMAN. Did you know any of the Continental officials—Mr. Tom Kelly?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. You dealt with him directly?

Mr. FOGARTY. Yes, sir.

Mr. RICE. Did you make some special arrangements? A general method of doing business with Continental, at least in later years, as you undoubtedly very well know that they would furnish distributors, like the Illinois Sports News, or the Howard Publishing Co. in Baltimore, and then these distributors in turn would sell to subdistributors?

Mr. FOGARTY. I had no agreement with Mr. Kelly like that at all.

The CHAIRMAN. You just dealt directly with Continental?

Mr. FOGARTY. That is the reason I bought the service from Continental.

The CHAIRMAN. Did you have a written agreement with them?

Mr. FOGARTY. No, sir.

The CHAIRMAN. Did you ever buy any service from Trans-America?

Mr. FOGARTY. I refuse to answer that question, sir, for fear it may incriminate me.

The CHAIRMAN. You won't answer whether you ever bought any service from Trans-America?

Mr. FOGARTY. No, sir.

The CHAIRMAN. I believe we have already agreed that we understand he is directed to answer?

Mr. COLEMAN. Yes.

The CHAIRMAN. Did you have any dealings with Ralph O'Hara? Do you know Ralph O'Hara, of Chicago, Ill.?

Mr. FOGARTY. I refuse to answer that question.

The CHAIRMAN. Hymie Levin?

Mr. FOGARTY. I don't know him.

The CHAIRMAN. Ray Jones?

Mr. FOGARTY. I don't know him.

The CHAIRMAN. Jack Guzik?

Mr. FOGARTY. I don't know him.

The CHAIRMAN. A fellow named Katz?

Mr. FOGARTY. I don't know him.

The CHAIRMAN. Now how did you arrive at the amount of your contract with Tom Kelly? I mean, did you bargain back and forth or how did you arrive at that?

Mr. FOGARTY. In which way do you mean?

The CHAIRMAN. How did you decide how much you were going to pay him and how did he decide how much he was going to charge you? That is, Mr. Kelly, of Continental Press Service?

Mr. FOGARTY. We decided on a rate per week.

The CHAIRMAN. Did you negotiate with him?

Mr. FOGARTY. It was not a fixed rate.

The CHAIRMAN. Did you negotiate with him in person or by correspondence?

Mr. FOGARTY. In person.

Mr. RICE. You went to Chicago to see him, or he came down here?

Mr. FOGARTY. I went to Chicago to see Mr. Kelley.

The CHAIRMAN. You say it was not a fixed rate?

Mr. FOGARTY. No. Not in this respect: There was a fixed rate for me but if conditions were bad, and I could not meet the obligation weekly, they gave me consideration.

The CHAIRMAN. Do you remember the amount that you were supposed to pay him?

Mr. FOGARTY. I think it was \$4,000 a week.

The CHAIRMAN. Four thousand a week?

Mr. FOGARTY. Yes, sir.

The CHAIRMAN. Did you keep up that sort of payment all along?

Mr. FOGARTY. No; I could not.

The CHAIRMAN. How much did it get down to?

Mr. FOGARTY. Oh, I would say it got down to some weeks I was not able to give him anything.

The CHAIRMAN. Whenever you could you gave him \$4,000 a week?

Mr. FOGARTY. That is right.



The CHAIRMAN. Then when you weren't doing very well, would you call him up and tell him that week you could not pay him \$4,000, or how would you do that?

Mr. FOGARTY. I would call him and tell him that things were bad at the present time, and I just wanted relief. He would tell me to do the best I could.

The CHAIRMAN. Mr. Fogarty, did you have some arrangement with him sort of like this: Out of what you took in you and your company or your partnership would keep so much and then you would send him the rest, up to \$4,000 a week? Is that the way it was?

Mr. FOGARTY. How was that? Explain that over, please.

The CHAIRMAN. That is, did you have an agreement that you would keep a minimum amount, or rather a total amount for yourself or your company and your partnership, and then the rest of it you would send to Mr. Kelly, up to \$4,000 a week? That is, suppose you made \$6,000, would you send him \$4,000?

Well, I don't want you to refuse to answer it if you don't understand it. Let's see if I can make it clear.

With some of the Continental people the agreement was that they would keep a certain amount, say a thousand dollars a week, and send the rest of it to Continental.

Mr. FOGARTY. Oh, no, no, no. This is my business. This is my own business.

The CHAIRMAN. Mr. Kelly and the Continental had no interest in your business?

Mr. FOGARTY. Not one penny.

The CHAIRMAN. And was this arrangement ever changed with Continental? Did—it carried right on through that way all along? I mean up to the present time?

Mr. FOGARTY. That is right.

The CHAIRMAN. Did they ever send people down to try to help you build up the business or see what the trouble was?

Mr. FOGARTY. No, sir.

The CHAIRMAN. You just run it as your own?

Mr. FOGARTY. That is right.

The CHAIRMAN. All right. Do you have any questions?

Mr. RICE. Yes, sir.

Did they ever send any inspectors down to determine the extent of the business you were doing?

Mr. FOGARTY. No.

Mr. RICE. Austin O'Malley ever come down?

Mr. FOGARTY. No, sir.

Mr. RICE. John Scanlon? Do you know John Scanlon? Do you know Austin O'Malley?

Mr. FOGARTY. No, sir.

Mr. RICE. Do you know John Scanlon?

Mr. FOGARTY. No, sir.

Mr. RICE. Are you positive about that?

Mr. FOGARTY. Positive.

Mr. RICE. What is the amount you pay weekly now to Continental?

Mr. FOGARTY. I don't know.

Mr. RICE. You don't know what you are paying now?

Mr. FOGARTY. I refuse to answer that question.

Mr. COLEMAN. If you don't know say you don't know.

Mr. FOGARTY. I don't know, and I refuse to answer it.

Mr. RICE. It would appear he has waived his privilege in indicating he does do it. He says he doesn't know. He is not refusing; he just doesn't know.

You take the position you don't know what you are paying for Continental per week?

Mr. FOGARTY. I do.

Mr. RICE. And that is your business?

Mr. FOGARTY. That is my business.

Mr. RICE. What is the closest you can come?

Mr. FOGARTY. I don't know.

Mr. RICE. Can you come within \$5,000?

Mr. FOGARTY. I don't know.

Mr. RICE. You don't know.

Mr. FOGARTY. That is right. I refuse to answer it.

Mr. RICE. What was the last payment that you made.

Mr. FOGARTY. I can't remember.

Mr. COLEMAN. Can I ask him a question?

Mr. FOGARTY. Yes.

Mr. COLEMAN. Have you been ill lately?

Mr. FOGARTY. Yes.

Mr. COLEMAN. Has your son been running some of your business?

Mr. FOGARTY. Yes, sir.

Mr. COLEMAN. All right.

Mr. RICE. All right, sir.

The CHAIRMAN. You remain under subpoena, Mr. Fogarty. In case we want you we will notify you or your lawyer.

Mr. FOGARTY. Okay, sir.

(Witness excused.)

#### TESTIMONY OF BEAUREGARD MILLER, TOWN MARSHAL, GRETNA, LA., ACCOMPANIED BY ROBERT WEINSTEIN, ATTORNEY, NEW ORLEANS, LA.

The CHAIRMAN. Mr. Miller, do you solemnly swear the testimony you give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. MILLER. I do.

Mr. WEINSTEIN. Mr. Chairman.

The CHAIRMAN. All right, Mr. Weinstein.

Mr. WEINSTEIN. I understand you would like to ask Mr. Beauregard Miller, town marshal of Gretna, Jefferson Parish, State of Louisiana, a question as to why he permits gambling to go in that parish?

The CHAIRMAN. That is the main thing we want to ask him about.

Mr. WEINSTEIN. I thought that was the—

The CHAIRMAN. Oh, well; we will ask him about what we want to, but that is the main thing we want to know—is why he permits it to go on and what he has done about it.

Mr. WEINSTEIN. All right, sir; if that is it.

The CHAIRMAN. I don't say that is the only thing; I say that is the main thing we want to ask about, Mr. Weinstein.

Mr. WEINSTEIN. I will take it on that basis—that it's the main thing, and I'll reserve other rights, if it comes to that.

The CHAIRMAN. All right.

Mr. WEINSTEIN. I now object to Mr. Miller testifying because there is no quorum of the committee present, and this objection I would like to be noted in the record as to any question which will be asked of Mr. Miller throughout the proceeding.

The CHAIRMAN. Well, we will note your objection. Your objection is overruled.

Mr. WEINSTEIN. You will also note the objection that Mr. Miller is appearing here today, not as a voluntary witness but appearing under the compulsion of a subpoena issued by this committee, and that this objection be noted to every question that is asked during the course of this hearing.

The CHAIRMAN. All right. We will understand that objection is made to every question.

Mr. WEINSTEIN. We also would like to object to any question being asked and that this objection be considered as applying to each question asked by this honorable committee. That the questions of necessity will pertain to matters of local interest, having nothing to do with interstate commerce, and therefore outside the purview of the resolution under which this committee is now functioning.

The CHAIRMAN. We will note that objection to every question also.

Mr. WEINSTEIN. And the final objection is that any question which will be asked of him will be in violation of his constitutional rights; that is, the fourth and fifth amendments of the Constitution and the fourteenth. That is, the United States Constitution and the Louisiana Constitution, and also that any question asked would be for the purpose of degrading and embarrassing the witness, and that we would ask that these objections be applicable to each particular question asked.

The CHAIRMAN. All right. They will be noted. Those objections will be noted. You have got a pretty good list of objections there, I believe, Mr. Weinstein.

Mr. WEINSTEIN. Thank you, sir.

The CHAIRMAN. Now, Mr. Miller, when did you get to be the town marshal of Gretna?

Mr. MILLER. 1925.

The CHAIRMAN. You have been the town marshal ever since?

Mr. MILLER. Yes, sir.

The CHAIRMAN. Is Gretna the town in Jefferson Parish where Club Forrest and Beverly Country Club and the Billionaire Club and the wire service of the Daily Sports News is located?

Mr. MILLER. The town of Gretna is incorporated.

The CHAIRMAN. Yes, sir.

Mr. MILLER. In the parish of Jefferson I don't have any jurisdiction in it. That comes under the sheriff. We have just three wards over there. It is a small town.

The CHAIRMAN. Which of the clubs are in the town of Gretna?

Mr. MILLER. The Bank Club, the Billionaire Club, the Clover Club, New Garden Club, Millionaire Cafe, and the Blue Light Inn.

The CHAIRMAN. So Forrest and Beverly are not in the town of Gretna?

Mr. MILLER. That is right.

The CHAIRMAN. Now, the Daily Sports News is in Gretna, is it, Mr. Fogarty's wire service?

Mr. MILLER. I understand it is; yes.

The CHAIRMAN. Now, these clubs, they have been there; why do you let them operate? What is the situation about it?

Mr. WEINSTEIN. Let me interrupt one second, Mr. Chairman. I don't want to be technical. I was making those objections, and I know you will consider that the witness was making them because he is supposed to make them.

The CHAIRMAN. That is right. We consider that he makes them personally.

Mr. WEINSTEIN. All right, sir.

Mr. MILLER. Well, the people over there want it. It was there when I went there, and there is nobody opposed to it, and when it is closed down they are all worrying about opening it up, and therefore if I was to close it up I really believe that I would be defeated.

The CHAIRMAN. You mean you don't think you would get reelected if you closed them up?

Mr. MILLER. That is right.

The CHAIRMAN. Well, that is a fair answer. That is better than the sheriff did this morning.

Mr. MILLER. Thank you, sir.

The CHAIRMAN. Have you tried closing them up to see how the people feel about it, sir?

Mr. MILLER. I have never closed them since I have been in office, but they have been closed lots of times.

The CHAIRMAN. You mean when they closed themselves?

Mr. MILLER. Through high officials, and sometimes different things would come up that they would close down. Newspapers or something would put some heat on them and they would close up. Maybe for some other political reasons sometimes they would close up.

The CHAIRMAN. And then you say the people get to worrying about wanting them opened up?

Mr. MILLER. That is right. Plenty of people working in them and making a living out of it. Without the gambling it would be a dead town.

The CHAIRMAN. You mean that is one of the principal things of livelihood out there?

Mr. MILLER. That is right, sir.

The CHAIRMAN. How large a town is Gretna?

Mr. MILLER. It is about 14,000 population.

The CHAIRMAN. What is the main business there?

Mr. MILLER. We have quite a few. The main business is the gambling business.

The CHAIRMAN. And I was just looking at these wire-service drops. You have got a lot of places there with wire service, I believe, horse parlors?

Mr. MILLER. I think I have covered it all. You have it all.

The CHAIRMAN. How many horse parlors with wire services do you imagine there are?

Mr. MILLER. Just the amount I mentioned. I think it is about six.

The CHAIRMAN. All of these clubs, and then some other places?

Mr. MILLER. To be frank with you, I think there is—let's see. There's one, two, three—I think there are four books altogether. All small books, though.

The CHAIRMAN. Do you own an interest in any of these clubs?

Mr. MILLER. No, sir.

The CHAIRMAN. And you just feel the people want it and you don't do anything about it?

Mr. MILLER. That is right, sir.

The CHAIRMAN. If you felt the people didn't want it you would close them up, I take it?

Mr. MILLER. If enough people insisted on me closing it and demanded it, I would.

The CHAIRMAN. Well, do you have any connection with them insofar as getting people located, getting them jobs, things of that sort?

Mr. MILLER. To be frank with you, very seldom I ever interceded for anyone to go to work in a gambling house. All the people that run it is my friends, and naturally they put my friends in there, so we don't have any trouble getting them in.

The CHAIRMAN. Well, it is at least good to get a frank answer once in a while, I will say, Mr. Miller. So you don't have to intercede; they just get in anyway?

Mr. MILLER. A lot of them get in on their own; a lot get in through their relationship, and so on.

The CHAIRMAN. 117 Huey P. Long Avenue—what is that? Is that the Daily Sports News? That is a building there, is it not?

Mr. MILLER. 117 Huey P. Long Avenue? I think that is the Billionaire Club.

The CHAIRMAN. Isn't there a building there, from 115 to 123—the Billionaire Club there?

Mr. MILLER. Billionaire Club, 117.

The CHAIRMAN. Where is Fogarty's place with respect to the Billionaire Club?

Mr. MILLER. Fogarty's, I think, is above the Bank Club.

The CHAIRMAN. Right over the Bank Club?

Mr. MILLER. Yes. That is, I guess, in the next block.

The CHAIRMAN. Both of those are gambling clubs, are they not?

Mr. MILLER. That's right.

The CHAIRMAN. Carlos Marcello—where is his place?

Mr. MILLER. Carlos Marcello's place?

The CHAIRMAN. Yes. Is that 117 Huey P. Long Avenue?

Mr. MILLER. You mean his business place, Jefferson Music Shop?

The CHAIRMAN. Yes.

Mr. MILLER. No. That is down further. It is in the three hundred and something, I think. In fact, it is on Third and Fourth Street. Just what the number is offhand I don't know.

The CHAIRMAN. Do you own any race horses?

Mr. MILLER. Do I own any race horses?

The CHAIRMAN. Yes.

Mr. MILLER. I have a little partnership in one. We raised it.

The CHAIRMAN. Is it profitable?

Mr. MILLER. What is that, sir?

The CHAIRMAN. Do you make any money out of it?

Mr. MILLER. No, sir.

The CHAIRMAN. Do you own a new Cadillac?

Mr. MILLER. No, sir.

The CHAIRMAN. Old Cadillac?

Mr. MILLER. No, sir.

The CHAIRMAN. What kind of Cadillac?

Mr. MILLER. I don't have any Cadillac.

The CHAIRMAN. Didn't you have a Cadillac awhile back?

Mr. MILLER. No; never did.

The CHAIRMAN. What kind of car do you have?

Mr. MILLER. Right now?

The CHAIRMAN. Yes.

Mr. MILLER. I have a Buick.

The CHAIRMAN. So that you are just waiting there to let the people tell you what to do, and that is what you think you ought to do?

Mr. MILLER. I don't think they are ever going to try to do it, because it has been going on so long. In fact, I think gambling went on when my daddy was an officer of the law over there. It's been years and years ago.

The CHAIRMAN. Haven't you been on the payroll of Club Forest?

Mr. MILLER. No, sir.

The CHAIRMAN. You never have been?

Mr. MILLER. No sir.

Mr. RICE. Did you ever receive any money from Club Forest or any individual connected with it?

Mr. MILLER. No, sir.

Mr. RICE. Do you know who they are?

Mr. MILLER. Sir?

Mr. RICE. Do you know who runs Club Forest?

Mr. MILLER. I read the newspapers.

The CHAIRMAN. Well, the Club Forest, I think in fairness we should say, isn't in your town.

Mr. MILLER. I would have no reason to know.

Mr. WEINSTEIN. I appreciate your sense of fairness, Mr. Chairman.

The CHAIRMAN. What is that?

Mr. WEINSTEIN. I say I appreciate your stopping that question without me objecting to it.

The CHAIRMAN. I wasn't stopping it exactly. I was just trying to help him along.

Mr. WEINSTEIN. Thank you, sir.

The CHAIRMAN. Now, your brother-in-law has an interest in the Bank Club; hasn't he?

Mr. MILLER. He did at one time but he don't have it at the present time.

The CHAIRMAN. Do you have a son-in-law at the Billionaire Club?

Mr. MILLER. Son-in-law? No, sir.

The CHAIRMAN. Do you have a relative at the Billionaire Club?

Mr. MILLER. No, sir.

I am saying "No." There might be someone in there that might be related to me. I don't know.

The CHAIRMAN. I mean any close relative?

Mr. MILLER. I don't think so.

The CHAIRMAN. Raymond C. Kelsata. He is your brother-in-law?

Mr. MILLER. That is right.

The CHAIRMAN. What is he doing now?

Mr. MILLER. At the present time he is not doing anything. He did have an interest in the Bank Club.

The CHAIRMAN. All right. Any other questions?

Mr. RICE. Yes.

I notice you have a place on your finger there where a part of it is sunburned and part of it is not.

Mr. MILLER. What?

Mr. WEINSTEIN. Come up. Let's show the gentleman your hands and get it straight.

(Mr. Miller came forward and displayed his hands and fingers.)

Mr. RICE. Aren't you in the habit of wearing rings?

Mr. MILLER. Your informers inform you wrong. I never wear rings.

Mr. RICE. You never wear rings?

Mr. MILLER. No.

Mr. RICE. All right.

The CHAIRMAN. Sit down.

Mr. RICE. Sit down.

Mr. WEINSTEIN. You know, Mr. Chairman, I sorry that question was asked, because I believe I know the source of the information, and it is so wrong, and—but I'll pass it. Let's go on.

The CHAIRMAN. All right.

Mr. KLEIN. Thank you.

Mr. RICE. Now, sir; do you own any race horses?

The CHAIRMAN. I asked that.

Mr. MILLER. I have answered that question already.

Mr. RICE. What was your answer?

Mr. MILLER. I said I own a part of one.

The CHAIRMAN. Do you mean a part of a stable or part of a horse?

Mr. MILLER. One horse [laughter] and not a fast one either.

Mr. RICE. Which part of the horse do you own?

Mr. MILLER. It is a partnership. Put it that way.

The CHAIRMAN. No; I mean, seriously. How do you get into—Do you own a third interest, or a half interest?

Mr. MILLER. To be frank with you, we raised a little horse from a colt, and we all fell in love with it, so when we entered the horse at the race track we put it in all of our names.

The CHAIRMAN. All your family's?

Mr. MILLER. No; it's friends of mine.

The CHAIRMAN. He is not a very good running horse?

Mr. MILLER. Not so hot. I wish it were.

The CHAIRMAN. How old are you now, Mr. Miller?

Mr. MILLER. Fifty-one.

The CHAIRMAN. All right. Well, that's all.

Mr. MILLER. Thank you, sir.

Mr. WEINSTEIN. Thank you, Mr. Chairman.

(Witness excused.)

The CHAIRMAN. Well, the time is getting very, very late. We have had a number of witnesses subpoenaed here who I guess we are not going to get to hear unless some of them particularly want to be heard.

Mr. Marshal, did you check with any witnesses to see whether they wanted to be heard?

Mr. RICE. We have a report we have no indications that any witnesses want to volunteer to be heard.

The CHAIRMAN. Well, the witnesses have all been invited in the hearing room. If any of you want to be heard, if your name has been mentioned, if you want to make any explanation about it, I would

like to give you an opportunity. Otherwise, I am not going to call you at this time.

(No response.)

Mr. RICE. We have a letter here from Mayor Morrison. He asked that it be included in the record.

The CHAIRMAN. Well, this seems to be a letter. [Reading:]

DEPARTMENT OF POLICE, INTEROFFICE CORRESPONDENCE

JANUARY 17, 1951.

To: Mayor Morrison.  
From: Mr. Scheuring.  
Subject: Daily Sports News.

Answering your memorandum of recent date, Sgt. Earl Weiser made a survey of 426 Camp Street and learned that the activities being conducted there are the receiving, by Western Union wire, horse information and typewritten by a lady employee for the purpose of printing and distributing race paraphernalia or matter.

With reference to 506-7 Balter Building, these offices are leased by the Balter Building to John J. Fogarty, who conducts his publishing business through these offices.

No other activities could be found at the above-mentioned locations.

Respectfully,

JOSEPH L. SCHEURING,  
*Superintendent of Police.*

All right. That will be put in the record.

(The letter was made a part of the record and is on file with the committee.)

The CHAIRMAN. Well, I have asked the witnesses who have been subpoenaed; I am not going to call any more witnesses we have subpoenaed tonight, but we may call some witnesses who have been subpoenaed to come to other places to testify, although that is not probable, but it is possible. I do want to give any witnesses a chance to say anything if their names have been used here; or anyone else who has been talked about or disparaged or feel that they have been improperly represented in this hearing.

We had an experience in Tampa. I wasn't there, but the Senator holding the hearing is a very fair man, and he certainly would give anybody a chance to be heard if they wanted to be heard, whose name had been used or who had been subpoenaed; and the next day after he had left, why, several witnesses felt that they had not been treated right; that they had not been given a chance to testify. So I don't want that to happen here.

(No response.)

CLOSING STATEMENT

The CHAIRMAN. Well, with that, then, this completes our hearing.

I want to thank the good people of New Orleans and the many people we have seen here for their warm hospitality. I want to again thank Judge Wright for his courtesy in the use of this courtroom; United States Attorney McKay for giving us quarters and other help; and Mr. Mitchell who has been with us during the hearings; Mr. Knop, the marshal, and all of his assistants have not only helped us with all of our subpoenas but they have been very splendid in arranging for these hearings, and in staying with us through long hours at night; Mr. Graff, the custodian of the building; Thomas McGuire and his people, the agent in charge of the Bureau of Narcotics; Mrs. Hoffman, the young lady here, has been working until late hours at night,



as has Mrs. Livesay, Mrs. Pace, and Mrs. Clay. We are very grateful to them, and also Mr. Pepper, of the secret service. I appreciate the assistance that they have given us, and the welcome that the mayor of the city of New Orleans has given us. Also the Bureau of Internal Revenue and many other agencies and people who have been of so much assistance.

I want to take this occasion to thank the members of our staff and counsel, Mr. Downey Rice, who has under very difficult circumstances and long hours had the principal part in this examination. He has done an awfully good job, I think, as has the other member of the staff, Mr. Klein, the associate counsel. Some of you newspapermen may not have known that Mr. Kiley was down here in July and made the preliminary investigation, and a very splendid one; Ralph Mills and George Martin; and Lieutenant Butler, of the Dallas Police Department, who have been assisting us; also Inspector Frank Ahern and Tom Cahill, of the San Francisco homicide squad and vice squad who have been here.

I feel that our investigation here, from the viewpoint of fitting the links into the interstate picture has been very important and useful. We have found in this section of New Orleans and in southern Mississippi necessary links insofar as the wire services are concerned; gambling and other kinds of criminal operations participated in and owned in part by people in other sections of the country; other kinds of crime associated with gambling, and other types of illegal activity, and I think we have had a very good picture of the effect upon law enforcement in a particular section where you have various types of criminal activity. The operations in this section are very significant—large—and they have interstate connections both as to what is being done and also the people involved.

We, of necessity, cannot and should not go into purely local matters, although it is inevitable sometimes to run into local matters in trying to reach some result. We had one local situation, although it was involved, of course, with interstate matters, with Mr. Grosch, and then also the contrary testimony as shown by the record and by his former wife who was brought in. That is, as to what will be done in that matter, a matter for the local courts and the United States attorney and the prosecuting officers.

It is my opinion that after hearing the witnesses, Mrs. Grosch was definitely telling the truth, from her demeanor on the witness stand; and, of course, her testimony was corroborated by certain matters of record. Other matters to be brought out are of course for people here to look after.

I think it should be said, also, that we have had more refusals to answer in New Orleans than we have had in all our other hearings, I think, put together. We have had some very arrogant and most important criminals like Carlos Marcello who have appeared here; but the most distressing thing is that a sheriff or law-enforcement officer, who is supposed to enforce the law, have claimed privilege against incriminating themselves, even though they are the law-enforcement officers, even to a greater extent than some of the criminals we have had before us.

That is a most distressing condition and it is difficult to see how it can continue. That, again though, is a matter for the local people and not for us. We are only interested in the political and the en-

forcement result growing out of interstate crime which we have shown here.

The record will be studied very closely on the contempt matters: the witnesses who have refused to answer. We will secure opinion of counsel as to whether any of them had a right, under the objections they made, to refuse to answer certain questions, and also the record will be studied as to perjury; but the United States district attorney can act on matters of perjury without any citation or any recommendation from the Senate; and he will be furnished with a copy of this record.

I do want to say, very definitely, that Carlos Marcello and certain others who refused to testify, that insofar as I am concerned I will recommend to the whole committee that they be cited for contempt. I have gone over with the staff the testimony of Phil Kastel, who gave the committee substantial information, and I think also refused—and contemptuously refused—to answer certain questions that I cannot see how he could legitimately claim his privilege upon; so that shall also be my recommendation in his case. His case, I must say, is by no means as clear as some of the others.

I am not going to mention all of the ones. I think Mr. Fogarty had no right to refuse to answer certain questions. I shall make a recommendation as to him.

We have proven here that out-of-the-State people definitely own and receive money from and are employed by and are a part of a substantial gambling operation which is in existence at the present time, to wit and for example, Frank Costello, of New York City. It is not my province to urge or to insist on the local people what they are going to do about it, but certainly there should be some action taken, it seems to me, in this matter, and in others, which are operating on a large scale and notoriously and commercially with people involved, or somebody ought to find out why it is not being taken.

Some efforts are being made toward better law enforcement in this section. Some good people and some officials are making an effort. I know that from the people I have talked with those efforts are appreciated but I must say that in this section generally there is a great deal to be done and a long way to go before decent law enforcement can be accomplished.

The next scheduled hearing for the committee will be in Detroit, beginning on February 8. Certain members of our staff will remain here for a few days to digest the certain records we have here for our reports, to follow through on certain other things that have come to our attention, and also to receive any suggestions from anyone who feels they have some idea that may be of help to the committee.

Mr. Rice, I think, will be here a few days, and Mr. Mills, and Mr. Butler—

Mr. RICE. Yes. At 327 New Federal Building.

The CHAIRMAN. At 327 in the New Federal Building. I want to thank you gentlemen of the press for staying with us so late at night, and for the consideration you have given us, and also the radio which has carried so much of the broadcast of the hearings and has created so much of the public interest in it; and the television. This is the first time our hearings have been televised, and I didn't know this young fellow was over here for quite a while.

Mr. COLEMAN. Senator.

The CHAIRMAN. Yes, Mr. Coleman.

Mr. COLEMAN. I know how fair-minded you have been here today, and I noticed that you have stated that you would recommend a contempt citation against Mr. Fogarty, and I was wondering whether you would permit me, as his counsel, to submit a brief on the law to you?

The CHAIRMAN. Yes, indeed.

Mr. COLEMAN. And keep your mind open on that question until that is done. I believe we can convince you that he was perfectly within his rights in not answering those questions, bearing in mind that he has an indictment for the same thing hanging over his head now; and under the Federal statute could have the same one.

I would like to have an opportunity to submit that, if you would tell me how long, or within what time.

The CHAIRMAN. All right. If within 1 week you will submit a brief.

Mr. COLEMAN. One week. I will send the brief where?

The CHAIRMAN. You can send it to me at the Senate Office Building in Washington. I will study it and see that counsel does.

I may say the main difficulty we have had with Mr. Fogarty is in connection with the Trans-America Wire Service. That is one of the important things we wanted to question him about, and he completely fell down on us insofar as the Trans-America was concerned. That company, of course, has gone out of business. It is not in existence. We have been very much interested in knowing just what his situation with Trans-America was. You might talk with him about it sometime.

Mr. COLEMAN. Yes. I will submit the brief on the law to you within a week.

The CHAIRMAN. Yes, sir. I will be glad to receive briefs from any of you attorneys representing clients on this question.

Well, thank you very much for your hospitality; and I hope the next time we come to New Orleans it will be under more pleasant circumstances.

(Whereupon, at 11:46 p. m., the hearing was adjourned.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

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WEDNESDAY, FEBRUARY 7, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Washington, D. C.*

The committee met, pursuant to call of the Chairman, at 10 a. m., in room 457, Senate Office Building, Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver, Hunt, Tobey, and Welker.

Also present: Downey Rice, associate counsel; E. Ernest Goldstein, assistant counsel.

George Martin and Henry P. Kiley, investigators.

The CHAIRMAN. The committee will come to order.

This is a continuation of the committee hearings held recently in New Orleans.

Let the record show that Senators Hunt and Tobey are present.

Before we start the proceedings, let me present the members of our staff: George Martin, who has been in Tampa, and New Orleans, Mr. Ernest Goldstein, and also Mr. Kiley, who has been a very faithful member of our staff but has left us to go with the International Claims Commission. We will miss very greatly his work in New Orleans and Tampa and Chicago and other places, work which has been very outstanding, and I might mention in Annapolis where we made a preliminary investigation.

Mr. Rice, our associate counsel, will handle this. He handled the hearings in Tampa and New Orleans.

After the subcommittee came back from the hearing in New Orleans, a telegram was received from Sheriff Clancy which will be made a part of the record at this point, stating in substance that he wanted to be heard further before the committee and in connection with the hearing.

(The telegram above referred to was identified as Exhibit No. 27, and is on file with the committee.)

The CHAIRMAN. The chairman after taking the matter up with other members of the committee, and pursuant to our general custom and practice, directed Sheriff Clancy to appear today and we also stated the same opportunity would be given to any other witnesses prior to the time the contempt petitions were actually filed in the Senate, which we contemplate will be done either tomorrow or the next day. No other witnesses have been heard from, except Sheriff Clancy.

We appreciate the sheriff's attitude in wanting to give the committee the information it needs. It is not our purpose in conducting this

committee to act as a prosecuting committee. We are not interested in trying to put people in jail. We are interested in trying to find out the facts and get the information upon which to base our work.

Sheriff Clancy, will you come around.

**FURTHER TESTIMONY OF FRANK J. CLANCY, SHERIFF, JEFFERSON PARISH, GRETNA, LA.**

The CHAIRMAN. You have already been sworn, I believe?

Mr. CLANCY. Yes.

The CHAIRMAN. You can have a seat, sir.

Mr. CLANCY. Senator, could I make this statement?

The CHAIRMAN. Yes, sir; sit down, and we will let you make any preliminary statement you wish.

Sheriff Clancy, this meeting is held at your request for an opportunity to make a further statement, and the committee is glad to give you this opportunity.

Mr. CLANCY. I was the one that sent the telegram.

The CHAIRMAN. Yes, sir.

Mr. CLANCY. I believe I tried to explain that.

Senator TOBEY. Will you speak louder, please?

Mr. CLANCY. I sent the telegram, and the reasons that I sent it was because—

The CHAIRMAN. The acoustics are pretty bad in this room. Will you please talk louder?

Mr. CLANCY. Can you hear me now, Senator?

The CHAIRMAN. I think we can hear you.

Mr. CLANCY. I was the one that sent the telegram, and I sent it because I thought that incrimination was more local than it was involved in the Federal angle of it, and inasmuch as we have so much publicity in Jefferson about this, I think that something ought to be said in all fairness to Jefferson Parish.

Jefferson Parish—

The CHAIRMAN. We will be glad to have you make a full statement, and then Mr. Rice will ask you some questions, and you just take your time. Go right ahead.

Mr. CLANCY. That was about all. I just wanted to explain about Jefferson Parish, how it had grown down there, and what we had to do in the past in order to keep the growth there. It has been my duty as sheriff, not that the law devolves upon the sheriff, but for some reason or other, by custom it is the sheriff's duty down there in that parish to enact all of the laws and draw all of the laws that will give the people the facilities that they need down there.

We have in the past put in possibly every modern facility that is known to mankind in that parish. The parish has grown in the past 10 years over 100 percent in its population.

I am merely making this statement, Senators, to show that Jefferson is not as bad as sometimes the press would paint it to be. That is merely the purpose of this statement.

Senator TOBEY. Are you up here for the prime purpose of defending Jefferson Parish and making it appear virtuous and show its economic growth, or to tell us about your income and what you have been doing down there as sheriff and what you have not been doing?

MR. CLANCY. Well, Senator, I believe I said this, in fairness to Jefferson Parish. So, insofar as myself, I will have to go along and try to defend myself when the questions are asked of me, Senator. I would not want to say here that Jefferson is one of the finest places in the world, or it is free from crime, or anything like that.

THE CHAIRMAN. Sheriff Clancy, we understood from your telegram that in the examination in New Orleans—I have the record here—after a few preliminary questions you declined to answer practically every question of every kind. We understood from your telegram that you wanted to come up and tell us about it and to attempt to relieve yourself, or purge yourself of contempt of this committee and of the Senate.

MR. CLANCY. That is true, Senator.

THE CHAIRMAN. And we are glad to give you that opportunity, but, of course, I think I should tell you that after your testimony, then the committee will take another look at the matter to see whether that has been done or not. You understand there is not any commitment that what you testify will change the opinion of the committee, but that will have to be judged by what you have to say.

MR. CLANCY. I certainly understand that, Senator.

THE CHAIRMAN. In the beginning, do you want to make any general statement about the conditions in the State or the conditions there in Jefferson Parish with reference to these places that have—

MR. CLANCY. Yes, Senator.

THE CHAIRMAN. Wire services and interstate connections, and your relations with them and how they happen to be run, and who you dealt with, and all of the matters that you know we are interested in? If you want to make a general statement, you may do so now, and then we will ask you questions afterward.

MR. CLANCY. Thank you, Senator.

Insofar as gambling is concerned in Jefferson Parish, that has been going on there for hundreds of years. I presume that a man that would run for office down there, up until possibly the present time, unless he was for it, he could not have been elected. So many people worked in these places, up to better than a thousand people. Of those, there were a lot of them were underprivileged and old people who could not get work any place else. And for that reason gambling had been condoned down there, but today it is getting to a proposition where work is more plentiful and you do not have to have those people to give people work.

SENATOR TOBEY. When you took an oath of office as sheriff, you swore to uphold the law, did you not?

MR. CLANCY. Yes.

SENATOR TOBEY. And gambling is not legal, is it, there?

MR. CLANCY. Not in Louisiana.

SENATOR TOBEY. Therefore, have you upheld the laws against gambling?

MR. CLANCY. I cannot say that I did.

SENATOR TOBEY. What is that?

MR. CLANCY. I cannot say that I did, Senator.

SENATOR TOBEY. Then you have broken your oath of office; is that correct?

Mr. CLANCY. That is right, Senator. I broke it for the sake of those old and unfortunate men who could not get employment any other place.

Senator TOBEY. That is the reason you did it, pity for them?

Mr. CLANCY. Yes.

Senator TOBEY. Or to be elected to office?

Mr. CLANCY. I imagine, Senator, I'd got along a whole lot better without being sheriff.

Senator TOBEY. That is not the question. Were you motivated by interest in these old men that needed jobs or interested in getting one, yourself, namely, elected sheriff?

Mr. CLANCY. That is right, sir.

Senator TOBEY. The latter part is true?

Mr. CLANCY. That part is true, and I have been elected since 1928.

The CHAIRMAN. So that we all understand, Jefferson Parish is immediately adjoining Orleans Parish?

Mr. CLANCY. That is correct. As a matter of fact, Orleans sort of divides Jefferson Parish. We are on both sides of Orleans.

The CHAIRMAN. Also, for the record, Gretna is the parish city, is it not?

Mr. CLANCY. Gretna is the parish city.

The CHAIRMAN. How large a town is Gretna?

Mr. CLANCY. I imagine Gretna must be a town of ten or twelve thousand.

The CHAIRMAN. Ford Miller is the town marshal of Gretna?

Mr. CLANCY. Yes.

The CHAIRMAN. What other good-sized towns are there in that parish?

Mr. CLANCY. You have four incorporated. You have Gretna, Westwego, you have Harahan, and you have Kenner.

The CHAIRMAN. Westwego?

Mr. CLANCY. And Kenner.

The CHAIRMAN. I did not understand that last one.

Mr. CLANCY. Kenner—K-e-n-n-e-r.

The CHAIRMAN. What was the other one? There was Gretna, Westwego, Kenner, and what other?

Mr. CLANCY. Harahan—H-a-r-a-h-a-n.

The CHAIRMAN. According to the papers, sheriff, some other places down there, you told them they would have to stay closed—you closed them. Do you want to have anything to say about that?

Mr. CLANCY. That is correct.

The CHAIRMAN. Tell us about it.

Mr. CLANCY. I believe this committee has shown to me that there is more gambling down there than I really knew.

I thought it was time now that some of these places could be converted into some other use. Subdivisions could be built there, and the people who had been working there can today find employment in defense plants.

The CHAIRMAN. What places have closed up there, sheriff?

Mr. CLANCY. Well, all of the places, Senator, that is in the unincorporated area. In the incorporated areas I have told you they have a chief of police in each one of them, and it has been the duty of the chief of police to take care of the policing of his area.



The CHAIRMAN. Club Foray has been closed?

Mr. CLANCY. It has been closed.

The CHAIRMAN. And what is Mr. Kastel's place?

Mr. CLANCY. Beverly. That is closed.

The CHAIRMAN. Is that closed?

Mr. CLANCY. Yes.

The CHAIRMAN. This Billionaire Club; is that closed?

Mr. CLANCY. I do not know. That is in the city of Gretna.

The CHAIRMAN. You have not undertaken to close any places——

Mr. CLANCY. I have not undertaken to close any place in the incorporated areas, Senator.

The CHAIRMAN. Do you have jurisdiction over the incorporated areas?

Mr. CLANCY. Well, we have always followed, let those chiefs of police run their own municipalities. I imagine if a test of law would come, Senator, that I could possibly go in there. I do not know whether I have the right or not, but it would have to be tested by law.

Senator TOBEY. You have concurrent jurisdiction in Gretna, have you not?

Mr. CLANCY. Yes; I think I have.

Senator TOBEY. You let them run in Gretna, but not otherwise?

Mr. CLANCY. That is right.

Senator TOBEY. Why?

Mr. CLANCY. Because the chief of police, Senator, there, that is his duty.

Senator TOBEY. It is not your duty—what does the law say?

Mr. CLANCY. The law says that I should enforce it all over.

Senator TOBEY. You do not do it?

Mr. CLANCY. I did not do it there, because it is the chief of police, his duty.

Senator TOBEY. You swore to uphold the law?

Mr. CLANCY. That is right.

Senator TOBEY. You have not done it?

Mr. CLANCY. That is right.

Senator TOBEY. And you are a lawyer yourself, are you not?

Mr. CLANCY. Yes.

Senator TOBEY. You are the sheriff?

Mr. CLANCY. Yes, sir.

Senator TOBEY. And you do not obey the law?

Mr. CLANCY. Well——

Senator TOBEY. You break your oath of office by not doing it; is that not right?

Mr. CLANCY. That is right, Senator.

The CHAIRMAN. All right, Mr. Rice. Is there any other statement that you want to make first, Sheriff?

Mr. CLANCY. None that I can think of, Senator.

Mr. RICE. You received a subpoena; did you not?

Mr. CLANCY. I did.

Mr. RICE. Directing you to bring certain records with you?

Mr. CLANCY. Yes, sir.

Mr. RICE. I believe you brought along a sheet showing certain stocks in corporations?

Mr. CLANCY. Yes, sir.

Mr. RICE. I notice that the subpoena directs you to bring records relating to your assets or interest in property, either real or personal property; have you brought anything additional along?

Mr. CLANCY. No, sir; I did not.

Mr. RICE. What is your position—

The CHAIRMAN. Before you get on with your examination, the sheriff brought up the point about the people working in these places, and so forth. I think for the record it ought to be pointed out that the same kind of contention was made in Daytona County and Briar County and several other places where we have been, but the record shows that since the gaming and slot machines and horse parlors have been closed that there is more money for the merchants and more money for the people and they have better economic conditions, generally, which prevail, so that, Sheriff, the committee and I are not very much impressed with this proposition that you have to leave some places running for the economic welfare of the section. Studies have been made out in Illinois of a small county where it was wide open, and they had closed down, and the bank deposits rose greatly, the merchants have better business.

Senator Hunt had an experience out in his State when he was governor, which he has told about. The sales-tax collections and taxes generally went up very noticeably when every gambling and criminal conduct is closed down.

I did not mean to interrupt you, Mr. Rice. You may go ahead.

Mr. RICE. Along that line, I think it would be fair to remark about the statement of the mayor of New Orleans that after the slot machines and wide-open gambling were chased out of New Orleans that they received economic benefits, which were immediately apparent in the town right adjacent to that of Sheriff Clancy.

The CHAIRMAN. They still have one-ball machines, I believe, in New Orleans.

Mr. RICE. Going back to the subpoena which you received which directed you to bring records in addition to the statement of the stockholdings which you have, you say you have not brought any further records?

Mr. CLANCY. Except this thing that I believe you asked me about down there, Mr. Rice, about that telephone being listed in my name.

Mr. RICE. Yes. We will get to that in a moment.

Mr. CLANCY. All right, sir.

Mr. RICE. How about records of your real-estate holdings, your real property; have you brought anything on that?

Mr. CLANCY. I believe I can tell you that.

Mr. RICE. All right, sir, suppose you tell us about that.

Mr. CLANCY. The only real estate that I own is an interest, I believe it showed there in that stock of some real-estate concern, squares of ground we bought at an auction, and then I have a quitclaim deed to a thousand acres of land that I must redeem from the State of Louisiana; in other words, I bought from these people who lost their right to redeem it. They lost it, I believe, in the year 1932. And I have got to—I assume the taxes on that. By assuming the taxes on that I could not have paid the taxes unless I had won a lawsuit.

Mr. RICE. Yes; we understand about that. Is there any reason why you could not bring in a list of property holdings that you have?

Mr. CLANCY. That is the only property I have. And the property that I live on, the property I inherited from my father.

Mr. RICE. Is this the only property you have had since 1944?

Mr. CLANCY. I have had since 1944? Well, most of it, the only two pieces I have had since 1944 is this that I have told you about, the quitclaim deed, and that in that real-estate company.

Mr. RICE. Did you not have a parcel that you deeded to your son-in-law?

Mr. CLANCY. What is that, sir?

Mr. RICE. Did you not have a parcel that you deeded to your son-in-law?

Mr. CLANCY. A parcel of land?

Mr. RICE. Yes, sir.

Mr. CLANCY. Since 1944?

Mr. RICE. Yes, sir.

Mr. CLANCY. Not that I know of. I deeded something to my daughter at Grand Isle, a house that I had at Grand Isle, a summer camp.

Mr. RICE. When was that, sir?

Mr. CLANCY. That must have been a couple of years ago.

Mr. RICE. So you did have some property after 1944 in addition to what you have just mentioned?

Mr. CLANCY. I believe I had that before 1944, Senator, I mean, Mr. Downey.

Mr. RICE. What we cannot understand is why you have not answered the subpoena and brought in with you the list of the property; what is your reason for that?

Mr. CLANCY. I have no reason for it, because I could tell it to you right off, Senator.

Mr. RICE. Is it fair to say then that you just ignored the subpoena because you feel—

Mr. CLANCY. No, sir. That is not it. I would not say that. I could tell you right off, the property that I own.

Mr. RICE. All right, sir. We will get to that in a minute then. How about your personal property, automobiles and things like that; have you brought in a list of that?

Mr. CLANCY. No, sir; but I can tell you about that.

Mr. RICE. The same position on that, that you just would like to tell us about it, and not answer in response to the subpoena?

Mr. CLANCY. There is nothing—I have got a couple of beat-up trucks, as we call them, back at the place we call the ranch, no new trucks at all. I have a cattle truck back there.

Mr. RICE. All right, sir.

Mr. CLANCY. And the car that I drive is an office car. It is not my car.

Mr. RICE. You indicate you have some stock in a place called Dixie Finance Co.?

Mr. CLANCY. Yes, sir.

Mr. RICE. Who is connected in that enterprise, who are the principals in that, who are the officers and directors?

Mr. CLANCY. I think Mr. Burt Clark—

Mr. RICE. Mr. Burt Clark?

Mr. CLANCY. And Irvin Paillet.

Mr. RICE. Yes?

Mr. CLANCY. Those are the ones that I know. I do not know who else was in it.

Mr. RICE. Are they friends of yours?

Mr. CLANCY. Yes; they are friends of mine.

Mr. RICE. And how did you happen to become connected in that venture?

Mr. CLANCY. Well, through my association with the Metairie Bank, you see. These were members, they were fellows who owned stock in the Metairie Bank, and they formed this finance company, and Mr. Burt Clark is the attorney for the finance company, and he asked me to go into it.

Mr. RICE. As the result of that you made an investment in the finance company?

Mr. CLANCY. Yes, I did.

Mr. RICE. Is that finance company in a position where they loan money to operations that might put out slot machines?

Mr. CLANCY. You are asking me something I could not answer. I am not on the board. And I do not have anything to do with that.

Mr. RICE. It is possible, though, is it not?

Mr. CLANCY. Yes, sir; those things are possible.

Mr. RICE. All right, sir; how about the Tassin Bros., what is that?

Mr. CLANCY. That was a wholesale drug concern, a little drug concern.

Mr. RICE. A little drug concern?

Mr. CLANCY. That is right. They sold some commodities. I do not know exactly what they sold. And this fellow Tassin wanted to borrow a thousand dollars from me.

Mr. RICE. Yes?

Mr. CLANCY. He said he had some stock to sell. I said, "Sell me your stock." And I took the stock in that. I do not think that they are in existence any more.

Mr. RICE. Any narcotics handled in that company?

Mr. CLANCY. No, sir.

Mr. RICE. A drug company that did not handle narcotics?

Mr. CLANCY. Not that one. I am sure they didn't.

Mr. RICE. Who were the men in that, Sheriff?

Mr. CLANCY. The only one I knew in there was Tassin.

Mr. RICE. Now this Long Range Development Co., who were the interested people in that with you?

Mr. CLANCY. Mr. Ferrara.

Mr. RICE. What does he do?

Mr. CLANCY. He works for the drainage board.

Mr. RICE. Works for the what?

Mr. CLANCY. The drainage board.

Mr. RICE. The drainage board?

Mr. CLANCY. Drainage board, yes, sir. And Mr. McDonald, he is an attorney, Mr. Beakler, is an attorney, and myself.

Mr. RICE. Is that the land that you bought on the quitclaim?

Mr. CLANCY. No, sir; we bought that outright from the State of Louisiana, but from the Pontchartrain Levee Board.

Mr. RICE. You bought that from the levee board?

Mr. CLANCY. Yes. It had been formerly sent to the levee board for taxes, nonpayment of taxes.

Mr. RICE. Your subpoena called for you to bring with you copies of your Federal income tax returns from 1944 to date. Did you bring those?

Mr. CLANCY. I did not bring them over here with me. I have them at the hotel. I can get them and file them with you.

Mr. RICE. You have those in the hotel?

Mr. CLANCY. Yes, sir.

Mr. RICE. You believe that is the proper way to respond to a subpoena by leaving them there?

Mr. CLANCY. I asked you yesterday, should I bring anything with me.

Mr. RICE. I am sorry, you asked me about the telephone situation. I said we covered that.

Mr. CLANCY. I can file them with you.

Mr. RICE. You can file them?

Mr. CLANCY. I can file them with you, I say.

Mr. RICE. All right, sir. Referring to the record of the testimony taken in New Orleans, Sheriff, and I think that probably the best procedure will be to ask you some of the same questions that were asked there, and I take it from your being here that you would want to clarify those questions. The chairman asked you down there this question—he said, talking about the situation in your parish:

I am sure you want to tell about it. The evidence is that the Club Foray and the Old Southport or the New Southport, the Billionaire Club, Bank Club, Foray's Club, and O'Dwyer's—

and at that point your attorney stopped you, and the chairman continued,

There has been some testimony that these clubs operate out in Jefferson Parish and the question is, in the first place, do you know that the clubs are out there, have you seen them?

And you refused.

Mr. CLANCY. I know they are there.

Mr. RICE. You know they are there?

Mr. CLANCY. Yes. I know I could point out O'Dwyer's and I could point out Club Foray and the Billionaire, but to point out what the names of the other places there, they are further over on the river, I really would not know.

Mr. RICE. Those are all in your parish?

Mr. CLANCY. They are in the parish, though.

Mr. RICE. You have been sheriff for how many years?

Mr. CLANCY. Since 1928.

Mr. RICE. Twenty-eight years.

Mr. CLANCY. I have been since 1928.

Mr. RICE. You have seen them all, what goes on in those clubs?

Mr. CLANCY. Well, I can tell you that they gamble in there. I haven't been in there, but I have been told they gamble in there, and that—

Mr. RICE. When you refer to gambling, what type of gambling do you mean, Sheriff?

Mr. CLANCY. I presume, I haven't been in there, but I presume that there is dice and roulette and horse betting.

Mr. RICE. Yes. On the horse bet or the horse book, is it not true that they have the wire service?

Mr. CLANCY. Yes; they must have wire service or they couldn't go.

Mr. RICE. And that comes from tracks all over the country, does it not?

Mr. CLANCY. I think it does.

Mr. RICE. Have you ever heard of a lay-off bet?

Mr. CLANCY. No, sir. I have only heard that one time out at the race track, laying a bet off.

Mr. RICE. Lay-off bet?

Mr. CLANCY. I have heard that expression.

Mr. RICE. What is your understanding of a lay-off bet, Sheriff, what do you think it is?

Mr. CLANCY. I think they get a bet and they don't want it and they wire it off to somebody else to take.

Mr. RICE. That is right.

Mr. CLANCY. That is my idea of it.

Mr. RICE. And you say they wire it off?

Mr. CLANCY. That is it.

Mr. RICE. Or telephone it off to another gambler?

Mr. CLANCY. That is right.

Mr. RICE. That gambler is located in Chicago or Cincinnati or some place else, is that not right?

Mr. CLANCY. That is right.

Mr. RICE. That goes on right in your parish?

Mr. CLANCY. Yes, sir.

Mr. RICE. With respect to the Club Foray, whose place is that?

Mr. CLANCY. I really couldn't tell you. I know some of the men who are supposed to be connected with it.

Mr. RICE. Who are some of these supposed to be?

Mr. CLANCY. Al Skawling, Henry Mills, I believe Frank Mills is in it, too.

Mr. RICE. Yes?

Mr. CLANCY. And I think that Litoff.

Mr. RICE. Osmon Litoff?

Mr. CLANCY. Yes, those are the ones that I think are connected with it. I have heard talk of being connected with it.

Mr. RICE. Do you know any of those men?

Mr. CLANCY. Yes, sir. I know all of them.

Mr. RICE. You know all of them.

Mr. CLANCY. Yes.

Mr. RICE. Is not Litoff one of the men who disappeared when the committee came to New Orleans?

Mr. CLANCY. He was not at the hearing.

The CHAIRMAN. Let the record show that all of these Club Foray people, except the bookkeeper, whose name I do not at the moment remember, disappeared.

Mr. RICE. Do you know where those men are now, Sheriff?

Mr. CLANCY. No, I don't.

Mr. RICE. Can you give us any help in locating them?

Mr. CLANCY. I might be able to.

Mr. RICE. We would appreciate it. We would like to talk to them.

Mr. CLANCY. I might be able to.

Mr. RICE. How about the Old Southport—incidentally, in the Foray there is a fellow Carlos Marcello, who is interested in that.

Mr. CLANCY. In the what?

Mr. RICE. In the Foray Club.

Mr. CLANCY. Not that I know of.

Mr. RICE. Do you know Marcello?

Mr. CLANCY. Yes, I know him.

Mr. RICE. How well do you know him?

Mr. CLANCY. I do not know him very well. I have seen him around Gretna there for the past 6 or 7 years.

Mr. RICE. Have you ever talked to him?

Mr. CLANCY. Yes, sir, I have talked to him.

Mr. RICE. Many times?

Mr. CLANCY. No, sir.

Mr. RICE. More than once?

Mr. CLANCY. Yes, sir.

Mr. RICE. In talking with him, did you learn with what clubs he was connected?

Mr. CLANCY. No, sir. The only club that I think he is connected with, this is my impression, he did not tell me, is one of the places out toward the river front and Beverly.

Mr. RICE. What is the one out toward the river front?

Mr. CLANCY. I wouldn't know the name. One name is New Southport and one is Old Southport.

Mr. RICE. One of the two?

Mr. CLANCY. One of those.

Mr. RICE. And the Beverly?

Mr. CLANCY. And the Beverly.

Mr. RICE. Who else is in the Southport with Marcello?

Mr. CLANCY. That I couldn't tell you, Mr. Downey, I don't know. They have changed hands, I understand, quite often.

Mr. RICE. Who had it before it changed hands?

Mr. CLANCY. I believe Mr. Kerner—Cargo and Kerner.

Mr. RICE. Who?

Mr. CLANCY. Cargo and Kerner.

Mr. RICE. Did you have anything to do with the sale?

Mr. CLANCY. Who?

Mr. RICE. Did you have anything to do with the sale?

Mr. CLANCY. No.

Mr. RICE. Do you know why it was sold?

Mr. CLANCY. No, I don't.

Mr. RICE. All right, sir, tell us about the Beverly Club. Who are the people interested in the Beverly Club?

Mr. CLANCY. So far as I know, Mr. Kastel and Marcello.

Mr. RICE. Where is Kastel from?

Mr. CLANCY. He lives in Metairie; where he came from, I understood he came from New York.

Mr. RICE. Do you know whether or not he has a criminal record?

Mr. CLANCY. Sir?

Mr. RICE. Do you know whether or not he has a criminal record?

Mr. CLANCY. What I have read in the paper.

Mr. RICE. He came from New York?

Mr. CLANCY. Yes, sir.

Mr. RICE. And who else was involved in that club?

Mr. CLANCY. Those are the only ones I know of, and the papers said that Costello is interested in it.

Mr. RICE. The papers said that, but you don't know?

Mr. CLANCY. I don't know Costello.

Mr. RICE. Have you had any conversations with Kastel?

Mr. CLANCY. Yes, sir; I have talked to Kastel.

Mr. RICE. And what was that about?

Mr. CLANCY. Told him that he would have to put men to work when he opened up there.

Mr. RICE. You told him he would have to put men to work?

Mr. CLANCY. That is right. Have to close it if the people objected to his place.

Mr. RICE. We would like to hear the story of how the Beverly, which was established in 1945, got the O. K. to start up, and we are sure you know the story, Sheriff; we would like to have it in your own words. It is an out-of-town, out-of-State mob that came in there.

Mr. CLANCY. That was not it at all.

Mr. RICE. What was the story?

Mr. CLANCY. This place was there.

Mr. RICE. Beverly was there?

Mr. CLANCY. It was there, and I believe some fellows operating it, they operated at a loss, and they were going to sell it.

Mr. RICE. Yes?

Mr. CLANCY. And Kastel asked about opening it.

Mr. RICE. Who did Kastel ask?

Mr. CLANCY. What is that?

Mr. RICE. Who did he ask?

Mr. CLANCY. He asked me about it.

Mr. RICE. He asked you?

Mr. CLANCY. Yes.

Mr. RICE. He came to you and said, "Can I open a gambling establishment here?"

Mr. CLANCY. That is right. I said that as long as it will not interfere with the people there, if they don't object to it, it is all right with me, but you will have to put some men to work.

Mr. RICE. Yes?

Mr. CLANCY. He agreed to do that.

Mr. RICE. All right.

Mr. CLANCY. I have had no complaint about it from the neighborhood around there.

Mr. RICE. You have had no complaint?

Mr. CLANCY. From the neighborhood.

Mr. RICE. Did Governor Davis have anything to do with that?

Mr. CLANCY. No, sir; Governor Davis did not have anything to do with that.

Mr. RICE. Talk to anyone else?

Mr. CLANCY. No.

Mr. RICE. How about the other clubs, how did the other clubs feel about Kastel coming in, the fellows already there, the Southport and the others?

Mr. CLANCY. I don't suppose they liked it.

Mr. RICE. What was the reaction that you got from them?

Mr. CLANCY. They did not say anything to me about it.

Mr. RICE. In other words, what they say about "King" Clancy is true—they came to "King" Clancy and got the O. K.; is that a fair statement?



Mr. CLANCY. I would not put it in that term, Mr. Downey, "King" Clancy.

Mr. RICE. In other words, you are the high power who gives the clearances?

Mr. CLANCY. Yes, sir; I did.

Mr. RICE. And when Clancy lowers the boom and says to close, they close; is that not right?

Mr. CLANCY. That is right; they close.

Mr. RICE. And they are closed now?

Mr. CLANCY. Yes, sir.

Mr. RICE. Do you want to say that you had no discussion or conversation with Governor Davis whatsoever in connection with the Beverly Club?

Mr. CLANCY. None that I can recall.

Mr. RICE. None that you can recall?

Mr. CLANCY. No, sir.

Mr. RICE. Is it possible?

Mr. CLANCY. I do not ever recall talking to Governor Davis about that at all.

Mr. RICE. Talk to him about any clubs?

Mr. CLANCY. No, sir; not about any clubs that I know of.

Mr. RICE. You never had a conversation with him in which he told you unless you allowed the Beverly to run he would close the other clubs?

Mr. CLANCY. No, sir; he never said.

Mr. RICE. Did he say that?

Mr. CLANCY. No.

Mr. RICE. Never heard about that?

Mr. CLANCY. No, sir.

Mr. RICE. How about the Billionaire Club, who runs that?

Mr. CLANCY. Just who is in there now I could not say, but Fink always interested in it, Herbie Fink.

Mr. RICE. Herbie Fink?

Mr. CLANCY. Yes.

Mr. RICE. He fronts for Carlos Marcello; does he not?

Mr. CLANCY. No; I don't believe he does.

Mr. RICE. Where is that Billionaire Club located?

Mr. CLANCY. That is right across from the courthouse.

Mr. RICE. And where is your office?

Mr. CLANCY. Just across the street from it.

Mr. RICE. Your office is in the courthouse; is it not?

Mr. CLANCY. Yes.

Mr. RICE. So this club is right across the street?

Mr. CLANCY. Yes.

Mr. RICE. What do they do in there?

Mr. CLANCY. Well, there is horse betting in there.

Mr. RICE. They have horse betting, wire service?

Mr. CLANCY. Yes; evidently they have wire service.

Mr. RICE. Is that address 117 Huey P. Long Avenue?

Mr. CLANCY. No, sir; that is not 117, Mr. Downey.

Mr. RICE. Let us get that straight now.

Mr. CLANCY. 117 is where the wire service is. I want to confirm that.

Mr. RICE. For the Daily Sports News?

Mr. CLANCY. Whose it is, I don't know. The wire service emanates from there. I found that out since you had your meeting in New Orleans. And when you asked me about 117, I had someone who dug this up for me, and it shows that the phone is listed, my office, both my office phones are listed as 117. They are in the courthouse, but they are listed as 117. I beg leave to file with you this.

Mr. RICE. So we have a situation here now where you have an office in the courthouse on one side of the street and several telephones in there, but the telephone book shows that they are across the street in the same address where the gambling and wire service is?

Mr. CLANCY. They listed them at 117, not across the street, the block above.

Mr. RICE. How do you account for that?

Mr. CLANCY. I do not know, and they have listed the phone on the east bank over in Metairie the same way.

Mr. RICE. You are quite sure that the telephone service goes to you and not to the gambling club?

Mr. CLANCY. I am sure it is.

Mr. RICE. Along that line——

The CHAIRMAN. Let us see what it is you have there. Will somebody hand it to us.

(Two telephone book pages were handed to the chairman.)

Mr. CLANCY. If you will look under "Frank J. Clancy" you will see Algiers 2179.

Mr. RICE. That is your phone in the office?

Mr. CLANCY. That is the tax collector's phone.

Mr. RICE. Is it not true that the West Side Seafood Co. is also in that 117 Huey P. Long?

Mr. CLANCY. That I would not now. I do not know the West Side Seafood Co.

Mr. RICE. If I should suggest to you that Carlos Marcello, West Side Seafood Co., is also in that 117, would that refresh your recollection any?

Mr. CLANCY. No, sir. The only thing I know about Marcello Seafood, I heard that he had a place at Morgan City. Insofar as Gretna, I do not know about that. I heard that some years ago he had a place at Morgan City.

Mr. RICE. Do you not see him from time to time, to go in there?

Mr. CLANCY. No, sir; I seldom ever get by that club.

Mr. RICE. Your office is there?

Mr. CLANCY. Yes, sir; I go in; I never see him go. I have never seen Carlos Marcello go in there; 117, you see, is a block above us. The Billionaire is in the 200 block.

Mr. RICE. I see. How about the Bank Club?

Mr. CLANCY. That is at 117.

Mr. RICE. The Bank Club is there, too?

Mr. CLANCY. Yes, sir.

Mr. RICE. Who runs that?

Mr. CLANCY. What is that?

Mr. RICE. How about the Bank Club, who runs the Bank Club?

Mr. CLANCY. Well, just now who is in that, I don't know, but I am sure that the fellow by the name of Dick Guidry, I am pretty sure that he is in there. Who else is connected——

Mr. RICE. That is a gambling club?

Mr. CLANCY. Yes.

Mr. RICE. That is right across in the building we are talking about, right across the street that we are talking about?

Mr. CLANCY. From the West Side Seafood.

Mr. RICE. In the 117, is it not?

Mr. CLANCY. I think that is the number of that whole building there.

Mr. RICE. The whole building?

Mr. CLANCY. That is 117.

Mr. RICE. So we have in that building the Bank Club, the wire service and the West Side Seafood?

Mr. CLANCY. I do not know about the West Side Seafood. Like I say, I have never been there. I have found out about the wire drop, as they call them, the wire service and the Bank Club that I know.

Mr. RICE. And the wire service is the feeding, fan-out point for all of the handbooks in the entire area, as a matter of fact, for the States of Louisiana, Mississippi, and Alabama?

Mr. CLANCY. Well, I know——

Mr. RICE. They all stem from a place right across the street from your office, do they not?

Mr. CLANCY. Not across the street, just a block above, right close.

Mr. RICE. A block above?

Mr. CLANCY. That is right, sir.

Mr. RICE. What are you going to do about straightening that telephone thing out?

Mr. CLANCY. I am going to ask the telephone company to change that thing.

Mr. RICE. And do you know Mr. Fogarty?

Mr. CLANCY. Yes, I know John Fogarty.

Mr. RICE. What is his business?

Mr. CLANCY. Well, since I have known him he is supposed to be connected with racing information.

Mr. RICE. Yes, and how long has he been there?

Mr. CLANCY. That I could not tell you, just how long he has been in Jefferson. I don't know.

Mr. RICE. How long have you known him?

Mr. CLANCY. I have known Fogarty for 10 or 15 years, I presume.

Mr. RICE. Do you have conversations with him?

Mr. CLANCY. Only once or twice out on the golf course.

Mr. RICE. Did you ever play golf with him?

Mr. CLANCY. I never played with him. I met him on the golf course.

Mr. RICE. As a law-enforcement officer there you undoubtedly had talks with him about his business. What did he tell you about the occasion in 1946 when Joe Poretti and Marcello started up competitive wire service and eventually apparently muscled into his outfit, what did he tell you about that?

Mr. CLANCY. He never told me anything about that.

Mr. RICE. You never heard about that?

Mr. CLANCY. I did not know about that. I heard about that later on.

Mr. RICE. What did you hear about it later?

Mr. CLANCY. That Marcello and this fellow Poretti, whom I didn't know——

Mr. RICE. He was an out-of-towner?

Mr. CLANCY. What?

Mr. RICE. He was out of State?

Mr. CLANCY. I couldn't say, because I didn't know him. That they had a wire service and that they had merged with Fogarty, that is all I knew about it, Mr. Downey.

Mr. RICE. Was Fogarty happy about that?

Mr. CLANCY. I couldn't say.

Mr. RICE. You played golf with him?

Mr. CLANCY. I haven't played golf with him in 10, 12 years.

Mr. RICE. Have not seen him since then?

Mr. CLANCY. Saw him at the hearing down there, was the first time since then.

Mr. RICE. I would kind of appreciate your playing golf with him again and finding out the story about that.

Mr. CLANCY. What is that?

Mr. RICE. We are interested in that story of how Trans-American Wire muscled into the Continental out there. We would appreciate it if you will find out what you can about that.

Mr. CLANCY. If I can do anything, I will be glad to.

The CHAIRMAN. I think the record should show that that competitive wire service was Poretti, 20 percent; Ralph Emery, 20 percent; Frank Capello, 20 percent; Anthony Corolla, 20 percent; Anthony Marcello, 10 percent; Joseph Marcello, Jr., 10 percent; and then, after the contest, why, it wound up, that is, after the contest with Mr. Fogarty, the new wire service wound up John J. Fogarty, 25 percent; Anthony Marcello, 37½ percent; Joseph Marcello, 37½ percent. Prior to that time Fogarty and his son, I believe, had it. They owned the Fogarty Wire Service.

Mr. RICE. Yes; they had it.

The CHAIRMAN. They are the Sports News.

Mr. RICE. Yes; they are the Sports News.

We have a series of questions here that I think we can probably blanket into one. You were asked by the chairman. "Do you know what the New Southport Club was doing before 1940?" Do you know now?

Mr. CLANCY. The New Southport Club?

Mr. RICE. Yes.

Mr. CLANCY. So far as I know, that has always been.

Mr. RICE. Has always been gambling there?

Mr. CLANCY. Always been gambling there.

Mr. RICE. And the Bank Club the same way; how about the White Horse Inn?

Mr. CLANCY. Where is that located?

Mr. RICE. It is in your parish.

Mr. CLANCY. That is one that I do not know.

Mr. RICE. You do not know about the White Horse Inn?

Mr. CLANCY. No.

Mr. RICE. Previously you declined to answer on the ground that it might incriminate you. How do you explain that?

Mr. CLANCY. What is that, sir?

Mr. RICE. Previously, you declined to answer a question about the White Horse Inn on the ground that it might incriminate you. How

do you explain your position now, if you do not know about it; that is, how it might incriminate you?

Mr. CLANCY. Well, because there is a statute down there about gambling in Louisiana.

Mr. RICE. Yes; what has that got to do with you then, incriminating you?

Mr. CLANCY. I figured they were going to make a charge against me for permitting gambling.

Mr. RICE. Who, you figured who was?

Mr. CLANCY. Not you, no, not this committee.

Mr. RICE. Yes.

Mr. CLANCY. But the people down there would make a charge against me.

Mr. RICE. For permitting gambling?

Mr. CLANCY. For permitting gambling.

Mr. RICE. And so you figured that because the question was asked the White Horse must be a gambling place?

Mr. CLANCY. I thought that it could be. I thought that is why the question was.

Mr. RICE. Could it be possible that it is a house of prostitution?

Mr. CLANCY. No, sir, not that we know of. We don't permit that.

Mr. RICE. You do not have any house of prostitution?

Mr. CLANCY. No, sir, not that I know of.

Mr. RICE. Let me ask you this: The Blue Horseshoe Tourist Court on Jefferson Highway, have you ever heard of that?

Mr. CLANCY. Yes, sir.

Mr. RICE. Have you ever heard that it has been a place of prostitution for 20 years?

Mr. CLANCY. I have heard this about it, that people go there and rent a room, but it is not a place of prostitution where you go there and hire the body of a woman.

Mr. RICE. I see.

Mr. CLANCY. Just a tourist camp that you have all over the country.

Mr. RICE. One of these places where you can rent a room?

Mr. CLANCY. That is it, I have heard about it.

Mr. RICE. And rent a room five or six times in the course of an evening?

Mr. CLANCY. I would not know about how many times they rent it.

Senator TOBEY. Did you ever take pains to find out as a sheriff?

Mr. CLANCY. Well, Senator, I am under \$25,000 bond, and if I go in on a place and I find that the people are there legitimately I am confronted with a lawsuit.

Mr. RICE. Did you ever hear that the place became so objectionable that people moved away from that neighborhood to get away from that environment?

Mr. CLANCY. I have never heard any complaints about it.

Mr. RICE. We have.

Mr. CLANCY. Possibly you have.

Mr. RICE. That is another place you might inquire about when you get back.

You now take the position that you do not know anything at all about the White Horse Inn?

Mr. CLANCY. No; I do not.

Mr. RICE. Tell us about the history of the slot machine operations in the parish there; who places the slot machines, who is in charge of them, how they came to be there.

Mr. CLANCY. Well, anyone with a place of business can put in their own machine.

Mr. RICE. Put in their own machine?

Mr. CLANCY. Yes, sir.

Mr. RICE. And if one of the boys here came down and started to—

Mr. CLANCY. No, sir; he could not go in, because he does not live in Jefferson.

Mr. RICE. He has to live in Jefferson?

Mr. CLANCY. Yes, sir.

Mr. RICE. So that they have to be residents of Jefferson then to put a slot machine in?

Mr. CLANCY. Or either their own machines, they own the machine.

Mr. RICE. Has that always been true?

Mr. CLANCY. Yes, sir; that has been true.

Mr. RICE. Have you ever heard of the L. & B. Mint Co?

Mr. CLANCY. I believe they operated in New Orleans, I think.

Mr. RICE. Yes, sure they did not operate in the parish?

Mr. CLANCY. Not to my knowledge.

Mr. RICE. It is possible, though?

Mr. CLANCY. It is possible they sneaked in there some way we didn't know anything about.

Mr. RICE. What would you do if you knew something about it?

Mr. CLANCY. Well, we'd ask the people to take them out and use local people.

Mr. RICE. So that it is a local privilege then to operate the slot machines?

Mr. CLANCY. That is right, sir.

Mr. RICE. How about Marcello, is he a local man?

Mr. CLANCY. Yes, sir; he lives in Jefferson.

Mr. RICE. Where was he born?

Mr. CLANCY. I really don't know. The paper said he was born in Africa.

Mr. RICE. Born in Africa?

Mr. CLANCY. That is right.

Mr. RICE. Is he a citizen?

Mr. CLANCY. I do not believe he is.

Mr. RICE. Has he voting privileges?

Mr. CLANCY. I do not think he has.

Mr. RICE. Is he a desirable character?

Mr. CLANCY. I would not say that he is.

Mr. RICE. Would you say he was a reprehensible character?

Mr. CLANCY. He conducts himself decently while down there. I couldn't say anything about his holdings or what he does other places.

Mr. RICE. Did you ever hear that he made a telephone call to a man by the name of Vallone over in Texas just before Vallone was killed in a Mafia gang type of killing?

Mr. CLANCY. No, sir; I never heard of that.

Mr. RICE. Possibly, you might stay after the session and we will talk Marcello over.

Mr. CLANCY. What is that?

Mr. RICE. It appears that, possibly, you do not know all about Marcello who is putting these slot machines in down there.

Mr. CLANCY. The only thing I ever heard about Marcello putting in slot machines, people wanted to build a place, he would advance them the money, and they would put in his slot machines. That is all I know about him.

Mr. RICE. Do you know whether or not he has a criminal record?

Mr. CLANCY. Yes, sir; I have heard that he has.

Mr. RICE. Has been in jail?

Mr. CLANCY. Yes.

Mr. RICE. Has been in Atlanta?

Mr. CLANCY. I do not know whether Atlanta or where, but I heard that he was sentenced for dope.

Mr. RICE. What was that for?

Mr. CLANCY. For dope, peddling dope, I think.

Mr. RICE. Did you say he was convicted for narcotics?

Mr. CLANCY. I think he was.

Mr. RICE. That hasn't anything to do with slot machines, has it?

Mr. CLANCY. No, sir; not that I know of.

Mr. RICE. Is he out of the narcotic racket now?

Mr. CLANCY. That I would not know, but he is not in it in Jefferson Parish.

Mr. RICE. Are you sure about that?

Mr. CLANCY. I am pretty sure.

Mr. RICE. Did they not pick up \$21,000 worth of narcotics at Bridgedale the other day?

Mr. CLANCY. Yes, sir. We have been picking it up right along.

Mr. RICE. How much was it, \$21,000, was it not, something like that?

Mr. CLANCY. I do not know just the value of it, Mr. Downey.

Mr. RICE. Who picked that up?

Mr. CLANCY. One of our men in conjunction with the Federal men. I have a narcotics squad of my own.

Mr. RICE. Yes.

Mr. CLANCY. We have a gentleman that worked for 8 years with the Treasury Department. He has been doing a mighty nice job.

Mr. RICE. But you never have been able to find out whether Marcello has been active?

Mr. CLANCY. So far we have not got him.

Senator TOBEY. You spoke of the privilege of slot machines in your jurisdiction, and we know that is a fact. The law of Louisiana says:

All officers of the State of Louisiana hereby are authorized and empowered and it is made mandatory and compulsory on their part to confiscate and immediately destroy all gambling devices known as slot machines that may come to their attention or that they may find in operation and the sheriff who fails to enforce this law is subject to removal from office under the constitution of the State.

Is that correct?

Mr. CLANCY. That is correct, sir.

Senator TOBEY. You are still on the job as sheriff?

Mr. CLANCY. That is correct.

Senator TOBEY. And the slot machines are still going?

Mr. CLANCY. That is correct.

Senator TOBEY. What have you to say to that charge of breaking your oath again?

Mr. CLANCY. Well, it is true.

Senator TOBEY. Why don't you resign and get out and put somebody in that can handle it, who has some guts? It seems to me a man like you who stands before a committee of the Senate and admits that he has broken the law as to prosecuting gamblers and slot machines and reaffirms it, is not worth a damn, and is a disgrace to the sheriff's associates of this country, and a blot on the escutcheon of law enforcement and decency of this country. Just such men as you who take an oath and lie about it, bring disrepute on our Government and are a bad example to the youth growing up all over the country and seeing men like this, a man who admits he broke the law. Do you feel guilty about these things, or do you not, are you not a little bit ashamed of yourself?

Mr. CLANCY. Senator—

Senator TOBEY. I asked you, are you not ashamed of Clancy?

Mr. CLANCY. Well, it was not the right thing to do.

Senator TOBEY. Have you got children?

Mr. CLANCY. Yes.

Senator TOBEY. Granchildren?

Mr. CLANCY. Yes.

Senator TOBEY. Can you look them in the face at night?

Mr. CLANCY. Yes.

Senator TOBEY. With clear conscience?

Mr. CLANCY. Yes, sir.

Senator TOBEY. They know what is going on?

Mr. CLANCY. I think they do.

Senator TOBEY. Do you not feel ashamed of it?

Mr. CLANCY. No, sir; because it kept people alive.

Senator TOBEY. Kept people alive?

Mr. CLANCY. That is right.

Senator TOBEY. Then all of the laws in the country are negligible so far as that goes, to keep people alive. Is that your theory of justice in this country?

Mr. CLANCY. No; it would not be. I think the time has come when those things have got to go.

Senator TOBEY. What are you doing about making them go; you are winking your eyes and closing your eyes, and they are flourishing?

Mr. CLANCY. They are gone now.

Senator TOBEY. What is gone now?

Mr. CLANCY. All of the slot machines.

Senator TOBEY. Out of your county?

Mr. CLANCY. All out of the unincorporated areas.

Senator TOBEY. What about Gretna where you have concurrent jurisdiction?

Mr. CLANCY. I have got to look that question up.

Senator TOBEY. Who are you afraid of in Gretna, who is the power behind the throne there that you are afraid of?

Mr. CLANCY. I am not afraid of anybody in Gretna, because I usually lose Gretna.

Senator TOBEY. Why did you not come with clean hands?

Mr. CLANCY. I usually lose it when I run.



Senator TOBEY. Does it not make any difference at all whether you lose or not, you are tampering everything to get reelected, you are playing the game to get reelected to office, soft-peddling here and loud-peddling there.

Mr. CLANCY. Whatever the people want.

Senator TOBEY. This is disgusting. It is a revealing and disgusting thing, and a shame in this country that a man like you can continue in office. It is an indictment of the people of Louisiana and the parishes down there that allow it. What have they come to in America?

Mr. RICE. May I—

Senator TOBEY. I apologize for getting mad, but I am mad, very frankly. I simply cannot sit and listen to this type of what I call a political vermin, who comes up before us and shoots off and defies the law. A good-humor man, he laughs about it all, with a smile on his face, does not worry him at all. I am through.

Mr. RICE. Sheriff, did you ever own any slot machines?

Mr. CLANCY. No, sir.

Mr. RICE. Never owned any in your life?

Mr. CLANCY. No.

Mr. RICE. Have any interest in any company or enterprise that owns slot machines?

Mr. CLANCY. No, sir.

Mr. RICE. Are you sure about that?

Mr. CLANCY. Sure.

Mr. RICE. How come you did not answer that question before?

Mr. CLANCY. Never brought out the question of slot machines in Jefferson.

Mr. RICE. It was a subject that you did not want to discuss.

Mr. CLANCY. That is right.

Mr. RICE. For that reason you answered that it might incriminate you?

Mr. CLANCY. That is right.

Mr. RICE. How many handbook operations would you say are running in your parish, horse books?

Mr. CLANCY. That would be pretty hard to say, Mr. Downey.

Mr. RICE. It would not be hard to say—Fogarty, he services them.

Mr. CLANCY. I guess I could get it from Mr. Fogarty.

Mr. RICE. Would it be fair to say that there are over 100?

Mr. CLANCY. No, sir; I do not think there are that many.

Mr. RICE. How many do you think there are?

Mr. CLANCY. Sir?

Mr. RICE. How many do you think there are?

Mr. CLANCY. I do not think there is more than about 10 or 15. There may be others I never knew anything about.

Mr. RICE. All of those horse books participate in what they call the lay-off system?

Mr. CLANCY. I presume they do.

Mr. RICE. And are constantly in touch by long-distance telephone to other sections of the country, to Mickey Cohen, and to the boys in Chicago and Cincinnati and in Cliffside, N. J.?

Mr. CLANCY. I do not know where they lay off to. I presume they lay off.

Mr. RICE. You never bothered to take a look at the telephone toll calls from some of those places?

Mr. CLANCY. No, sir; I never have.

Mr. RICE. You mentioned previously, I believe, you had a deputy by the name of Paul Cassagne?

Mr. CLANCY. Cassagne, that is right.

Mr. RICE. Cassagne?

Mr. CLANCY. Yes, sir.

Mr. RICE. He is your chief deputy?

Mr. CLANCY. He is not the chief deputy.

Mr. RICE. One of the deputies?

Mr. CLANCY. One of the deputies.

Mr. RICE. What are his duties?

Mr. CLANCY. Regular work around as a deputy, and then he goes and looks for jobs for those fellows that we want to put to work in those places.

Mr. RICE. He does what?

Mr. CLANCY. He gets the jobs for the fellows that go to work in the gambling houses.

Mr. RICE. He gets the jobs for the fellows that go to work in the gambling houses?

Mr. CLANCY. That is right. If Joe Smith wanted a job, I tell Mr. Cassagne to go and see that he got a job.

Mr. RICE. So he is the control man or the fix man that you have to straighten up with to get a job in a gambling house?

Mr. CLANCY. That is right.

Senator TOBEY. So the sheriff's office runs an employment agency, is that it?

Mr. CLANCY. You can call it that.

Senator TOBEY. What?

Mr. CLANCY. I say that is what you could call it.

Senator TOBEY. You are the man supposed to enforce the law and admits he breaks it and disregards it, running an employment office to get jobs for the gambling houses which you under the law are charged to close up. That is a fair picture of it?

Mr. CLANCY. That is right, Senator.

Mr. RICE. Well then, we can take it as a fair assumption that the deputies are working in all of these places?

Mr. CLANCY. No, sir; there are no deputies working in any of the places.

Mr. RICE. No deputies working in any of the places?

Mr. CLANCY. Not that I know of.

Mr. RICE. How about Probst?

Mr. CLANCY. He does not work there.

Mr. RICE. Sure he does not?

Mr. CLANCY. He is a night patrolman.

Mr. RICE. He is a night patrolman for what?

Mr. CLANCY. In the Metairie section.

Mr. RICE. Doesn't he receive money from one of the clubs?

Mr. CLANCY. No, sir; not that I know of.

Mr. RICE. How about Gomez, do you have a deputy by the name of William Gomez?

Mr. CLANCY. William Gomez? Not that I know of.

Mr. RICE. Do you have any deputies who are not on your payroll, but have the status of a deputy sheriff, have credentials or commissions from you?

Mr. CLANCY. Yes, sir; quite a number of them.

Mr. RICE. Are any of those people employed in clubs?

Mr. CLANCY. That I would not know. I don't think so. I would not know.

Mr. RICE. Is that possible?

Mr. CLANCY. It is possible; yes, sir.

Mr. RICE. So that it is entirely possible that the number of people having deputy-sheriff commissions are actively employed in a gambling club?

Mr. CLANCY. That is right. They could be, and I would not know anything about it.

Mr. RICE. So that if some customer became obstreperous, why, they could blackjack him and use the authority of the deputy sheriff that you have bestowed upon them?

Mr. CLANCY. They do not have any right to. They do not have any right to do that.

Mr. RICE. They do not have any right to do it, but it happens, does it not?

Mr. CLANCY. It could happen.

Mr. RICE. It could happen?

Mr. CLANCY. That is right, it could happen.

Mr. RICE. And has happened?

Mr. CLANCY. I do not know that it has.

Mr. RICE. But you have not made any effort to find out, have you?

Mr. CLANCY. I do not recall of it ever happening.

Mr. RICE. Is it not true that Cassagne also makes certain collections for contributions, political, ice money, or whatever you want to call it, from some of these clubs?

Mr. CLANCY. No, sir; not political contributions. For all charitable organizations, the church organizations, USO, CYO, tubercular drive, and those various drives that they have.

Mr. RICE. So that Cassagne is the persuader in connection with that?

Mr. CLANCY. He merely asks them and asks the men that work in the places to make a contribution to it.

Mr. RICE. Yes. And those contributions are made, and who are the beneficiaries of this largesse?

Mr. CLANCY. Sir?

Mr. RICE. Who receives these contributions?

Mr. CLANCY. These various organizations that ask for it.

Mr. RICE. Yes. Do you receive any of it?

Mr. CLANCY. No, sir; I do not.

Mr. RICE. You are sure about that?

Mr. CLANCY. Yes, sir.

Mr. RICE. How about Cassagne, does he take a little cut?

Mr. CLANCY. That I could not answer. Mr. Cassagne would have to answer.

Mr. RICE. Is it possible?

Mr. CLANCY. All of those things are possible.

Mr. RICE. Over a period of a month what would be the amount that Cassagne would collect by his persuasive powers?

Mr. CLANCY. Sometimes it goes a couple of months before anybody asks for help, churches.

Mr. RICE. Whenever somebody asks?

Mr. CLANCY. That is the only time, and he usually goes with them.

Mr. RICE. Over a year's time what would you say would be extracted from the clubs by Cassagne?

Mr. CLANCY. I have no idea, Mr. Downey.

Mr. RICE. Do you want to make a guess?

Mr. CLANCY. No, sir; I could not even guess.

Mr. RICE. \$100,000?

Mr. CLANCY. No, sir; nothing like that.

Mr. RICE. There was a man named Cavalier who testified down in New Orleans that he was relief cashier at the Club Foray occasionally, and that on several occasions Cassagne came into the casino part of the club and approached the manager who walked over and paid out several thousand dollars and was told he was to charge it to the ice account?

Mr. CLANCY. I would not know anything about that.

Mr. RICE. Would that help you to determine the amount over a year's time?

Mr. CLANCY. I would not know anything about that, Mr. Downey.

Mr. RICE. How do you check up on Cassagne; are you not afraid that he might embezzle a little bit from some of these?

Mr. CLANCY. The people usually go with them.

Mr. RICE. No one goes with him.

Mr. CLANCY. I say the people who ask for these things usually go with him.

Mr. RICE. Listen now, Sheriff, you do not expect us to believe that the ministers and the preachers—

Mr. CLANCY. Not the ministers. He usually gets a check and gives it to them in a check.

Mr. RICE. It comes in a check?

Mr. CLANCY. Yes, sir.

Mr. RICE. But Cavalier's testimony was that it was cash money taken off the dice table.

Mr. CLANCY. I do not know anything about that.

Mr. RICE. Now then, I think Reverend Dawson down there with the Methodist church testified something about conversations that took place with you and Pete Perez, do you remember those?

Mr. CLANCY. Yes, sir.

Mr. RICE. What was that about?

Mr. CLANCY. Perez wanted to talk to him about seeing if he could not drop the suit against those clubs down there. There was an abatement suit.

Mr. RICE. Yes. They were trying to padlock the club?

Mr. CLANCY. That is right.

Mr. RICE. The churches were trying to padlock the clubs, were they not, trying to close them down?

Mr. CLANCY. I do not think it was the churches, but Reverend Dawson was one of them that was instrumental in the proceedings.

Mr. RICE. They had 25 citizens, did they not, each sign a petition for the Beverly and the Foray?

Mr. CLANCY. That is right, sir.

Mr. RICE. So it was a fairly representative segment of the people there that wanted to close them down?

Mr. CLANCY. That is right, sir.

Mr. RICE. What happened?

Mr. CLANCY. Well, it was declared unconstitutional.

Mr. RICE. Yes. What were you talking to Reverend Dawson about with Pete Peres, being an employee of the Foray?

Mr. CLANCY. Pete Peres said he thought he was going to knock too many men out of work.

Mr. RICE. He was working at the club?

Mr. CLANCY. That is right. I merely went along with Pete and the Reverend Dawson said to me, he said:

I think that if you will straighten this thing out here on Metairie Ridge some, it will help out a whole lot.

So we closed Metairie Ridge. Of course, the suit went on. There was nothing, no promise or anything by Reverend Dawson at all. The suit went right along.

Senator TOBEY. Did you give Reverend Dawson \$300 for his church?

Mr. CLANCY. Yes, sir.

Senator TOBEY. And did Phil Kastel give \$600?

Mr. CLANCY. I do not know what amount Phil Kastel gave.

Senator TOBEY. Did Al Shawling of the Club Foray give him \$600?

Mr. CLANCY. I could not say. They gave him something, but what the amount was—

Senator TOBEY. Did the others give him something, too?

Mr. CLANCY. Yes.

Senator TOBEY. So these four groups of gangsters, breakers of the law, come to the Reverend Dawson of the Methodist church and give him substantial sums—what for?

Mr. CLANCY. I believe to help.

Senator TOBEY. For preaching of the gospel down there?

Mr. CLANCY. No, sir; I think to help build a school.

Senator TOBEY. Help what?

Mr. CLANCY. Help out on the school.

Senator TOBEY. To build a school?

Mr. CLANCY. Yes, sir.

Senator TOBEY. A Sunday school?

Mr. CLANCY. I do not know whether it was a Sunday school or a parochial school.

Senator TOBEY. He took the money, did he not?

Mr. CLANCY. Sir?

Senator TOBEY. He took the money?

Mr. CLANCY. Yes, sir.

Senator TOBEY. And did he build a school?

Mr. CLANCY. I believe they built the school.

Senator TOBEY. I see. Did they put a tablet inside among the benefactors and give the names of you four gentlemen?

Mr. CLANCY. I do not know. I have not been in the school.

Senator TOBEY. Did he give you a scroll for your generosity and kindness?

Mr. CLANCY. No, sir.

Senator TOBEY. And for your tolerance and understanding of the value of Christian education?

Mr. CLANCY. No, sir.

Senator TOBEY. But you gave the money to Dawson?

Mr. CLANCY. That is right.

Senator TOBEY. Who else did you give money to down there in a humanitarian enterprise?

Mr. CLANCY. There are other churches down there. I cannot recall. They asked for some assistance.

Senator TOBEY. You paid them all, gave them all something?

Mr. CLANCY. Yes.

Senator TOBEY. You are creating good will subconsciously or otherwise toward you gentlemen of the profession; are you not?

Mr. CLANCY. Sir?

Senator TOBEY. You are attempting to create good will toward you gentlemen of the eminent profession?

Mr. CLANCY. It might be a good way to teach people not to gamble. It is very hard to legislate against morals, but you can teach morals, Senator.

Senator TOBEY. I see. Well, if you had a governor down there that has got some guts he would kick you out, would he not?

Mr. CLANCY. I guess he would.

Senator TOBEY. Therefore, he hasn't got any guts?

Mr. CLANCY. I would not want to say that.

Senator TOBEY. He has the power to do it, has he not?

Mr. CLANCY. Yes, sir; I think he has.

Senator TOBEY. He could do it pronto?

Mr. CLANCY. Yes, sir.

Senator TOBEY. What will you say about a governor that has a man stand before this committee and testify that he has broken the law and disregarded it and lets him continue in office?

Mr. CLANCY. Well, I'd rather reserve my opinion about the Governor.

Senator TOBEY. You would not have much respect for him?

Mr. CLANCY. I would rather reserve my opinion.

Senator TOBEY. You would not have respect, very much, would you?

Mr. CLANCY. I would not want to say that, Senator.

Senator TOBEY. All right. I will, then.

Mr. CLANCY. All right, sir.

Mr. RICE. Sheriff, before you became sheriff, which was what year?

Mr. CLANCY. In 1928 I became sheriff.

Mr. RICE. 1928?

Mr. CLANCY. Yes, sir.

Mr. RICE. You had been clerk of the court?

Mr. CLANCY. That is right.

Mr. RICE. How long had that been?

Mr. CLANCY. I was clerk of court for 8 years.

Mr. RICE. For 8 years before that?

Mr. CLANCY. Yes, sir.

Mr. RICE. And had you ever engaged in any other businesses besides those before you became sheriff?

Mr. CLANCY. Not that I know of. I do not think I was in any other business.

Mr. RICE. You worked your way through law school?

Mr. CLANCY. That is right.

Mr. RICE. And then became clerk of the court?

Mr. CLANCY. Yes.

Mr. RICE. Then sheriff?

Mr. CLANCY. Yes; that is right.

Mr. RICE. Since you became the incumbent you have remained that way; you stayed in ever since?

Mr. CLANCY. That is right.

Senator TOBEY. Before you were elected to sheriff, graduated from clerk of the court and ran for sheriff for election, during that campaign certain gentlemen of the profession, did they come to you and sit down and have some conversations about what you would do if you became sheriff?

Mr. CLANCY. Not that I know of.

Senator TOBEY. Did you let it be known through next friends to these gentlemen that you would have a hush-hush policy if you were sheriff then and let them go on with the games?

Mr. CLANCY. No, sir.

Senator TOBEY. Did you, in your campaign, tell the American public down there you would enforce the law, come hell or high water, and gamblers had better take to flight?

Mr. CLANCY. I do not remember anything like that.

Senator TOBEY. Did you say that you would break down crime in that district as sheriff; what did you offer as the reason for electing you sheriff?

Mr. CLANCY. I think, with the exception of gambling, we have done a good job on crime.

Senator TOBEY. With the exception of gambling?

Mr. CLANCY. That is right.

Senator TOBEY. But did you tell the people when you ran for office you would put down gambling as an illegal thing in New Orleans?

Mr. CLANCY. No, sir; not that I know of.

Senator TOBEY. Did anybody ask you on the stump, "Are you going to stop this gambling down here?" Did anybody—were you not put on the spot?

Mr. CLANCY. I remember one of my talks in the last campaign; I was not going to change my ways, I was going to do just as I did in the past.

Mr. RICE. Who or what is Rutledge Wiseman?

Mr. CLANCY. That is an oil outfit.

Mr. RICE. What do you have to do with this oil outfit?

Mr. CLANCY. I have got an interest in it.

Mr. RICE. You have an interest in it?

Mr. CLANCY. Yes; a small interest.

Mr. RICE. Where is this oil outfit located?

Mr. CLANCY. Down in Lafitte.

Mr. RICE. And you have an interest in it?

Mr. CLANCY. Yes, sir.

Mr. RICE. Do you still have that interest?

Mr. CLANCY. Yes, sir.

Mr. RICE. What is the extent of your interest?

Mr. CLANCY. Right offhand I could not tell you. It is a small interest, though.

Mr. RICE. A small interest?

Mr. CLANCY. Yes.

Mr. RICE. Do you hold stock in it?

Mr. CLANCY. A part of the royalty.

Mr. RICE. Part of the royalties?

Mr. CLANCY. Yes.

Mr. RICE. As a matter of fact, you receive income from it?

Mr. CLANCY. I receive some income from it.

Mr. RICE. I do not see anything in your list of holdings here about Rutledge Wiseman.

Mr. CLANCY. That is correct. I only put in the corporations that I had.

Mr. RICE. You only put in the things you thought we might find out about, did you not?

Mr. CLANCY. Well, no; that was not it.

Mr. RICE. Why wasn't it?

Mr. CLANCY. I only listed the corporations.

Mr. RICE. You only listed corporations?

Mr. CLANCY. That is right.

Mr. RICE. That is not a fair——

Mr. CLANCY. Then I have——

Mr. RICE. Statement of your assets at all.

Mr. CLANCY. I have another oil interest.

Mr. RICE. You have another oil interest?

Mr. CLANCY. Yes.

Mr. RICE. Where is that?

Mr. CLANCY. That is in Lafitte section, too.

Mr. RICE. Tell us who are the people that you are in those oil interests with.

Mr. CLANCY. The large one is the one that I got an interest in by digging up the lawsuit, and the ones that are interested in that——

Mr. RICE. What is the name of that?

Mr. CLANCY. It was originally the Louisville Refining Co.

Mr. RICE. Yes?

Mr. CLANCY. You see, that suit, Mr. Downey, I discovered the suit by virtue of being clerk of court; when they found that oil field there was 300 foot of ground.

Mr. RICE. Yes; I understand about the suit. I know about that. Tell us who the individuals are in that with you.

Mr. CLANCY. I do not know just how it is divided up. I can tell you the ones that I know.

Mr. RICE. Who are they?

Mr. CLANCY. Judge McCune.

Mr. RICE. Yes; is Judge McCune the judge that handled that padlock suit that was reversed?

Mr. CLANCY. Yes.

Mr. RICE. You are in business with him, are you not?

Mr. CLANCY. No, sir; he represented the parish in that lawsuit.

Mr. RICE. Yes. What court does Judge McCune preside in?

Mr. CLANCY. He is in the Gretna court.

Mr. RICE. In the Gretna court?

Mr. CLANCY. Yes. Twenty-fourth judicial jurisdiction.



Mr. RICE. That is a court of original jurisdiction that handled the padlock suits; is that not right?

Mr. CLANCY. That is right, sir.

Mr. RICE. Well now, he is in the company, and who else is in there?

Mr. CLANCY. Mr. Higgins.

Mr. RICE. Yes. Which Higgins is that?

Mr. CLANCY. He is an attorney down there.

Mr. RICE. What is the first name?

Mr. CLANCY. Alvin.

Mr. RICE. Alvin Higgins?

Mr. CLANCY. Yes.

Mr. RICE. Who else?

Mr. CLANCY. Frank Langdridge.

Mr. RICE. Frank Langdridge?

Mr. CLANCY. L-a-n-g-d-r-i-d-g-e.

Mr. RICE. Who else? What does Frank Landridge do?

Mr. CLANCY. He is district attorney down there.

Mr. RICE. The district attorney?

Mr. CLANCY. That is right.

Mr. RICE. Who else?

Mr. CLANCY. I believe that Judge Fleury's daughter has an interest in it.

Mr. RICE. What is that name again?

Mr. CLANCY. Fleury. F-l-e-u-r-y.

Mr. RICE. What does he do?

Mr. CLANCY. He was formerly a district attorney.

Mr. RICE. Formerly district attorney?

Mr. CLANCY. That is right.

Mr. RICE. It has a very legal note about this company, does it not?

Mr. CLANCY. That is right, sir.

Mr. RICE. Who else is in there?

Mr. CLANCY. And Mr. Conzelmann.

Mr. RICE. What does he do?

Mr. CLANCY. He is deceased now. He was an assistant district attorney.

Senator TOBEY. You have a league of district attorneys down there.

Mr. CLANCY. That was the case.

Mr. RICE. What was the name of that company again, the Legal Development Co.—what was the name of that company?

Mr. CLANCY. The ones that originally put up the money to fight the lawsuit was the Louisville Refining Co.

Mr. RICE. The Louisville Refining?

Mr. CLANCY. Yes, sir.

Mr. RICE. Who else is in there?

Mr. CLANCY. I am trying to think now. Murphy.

Mr. RICE. What does Murphy do?

Mr. CLANCY. Murphy is one of the attorneys that handled it. Mr. Schaff, he is another lawyer that was in it.

Mr. RICE. Murphy and Schaff?

Mr. CLANCY. Yes.

Senator TOBEY. Did this company sell securities?

Mr. CLANCY. No, sir; they did not. Jefferson Parish gets one thirty-second of that, and the Federal Government gets a sixteenth of that, too, out of that lawsuit.

Mr. RICE. Does not Phil Kastel have some interest in that company?

Mr. CLANCY. No, sir; not that I know of.

Mr. RICE. That is the Loisland Co.?

Mr. CLANCY. That has been dissolved. Phil Kastel never had any in that at all.

Mr. RICE. Are you in companies with Phil Kastel?

Mr. CLANCY. No, sir.

Mr. RICE. Are you sure about that?

Mr. CLANCY. I am sure.

Mr. RICE. How about this Rutledge Wiseman, who are the people involved in that?

Mr. CLANCY. That I bought an interest in from Clyde Bourgeois.

Mr. RICE. I beg your pardon?

Mr. CLANCY. I bought an interest from Clyde Bourgeois.

Mr. RICE. Who else is in that?

Mr. CLANCY. I could not say, Mr. Downey.

Mr. RICE. You just know—

Mr. CLANCY. Clyde sold me an interest.

Mr. RICE. Possibly you could be in partnership in that with Kastel?

Mr. CLANCY. I do not think so. This was started long before Kastel ever came down in that part of the country. He could have bought an interest in it afterward. I would not know.

Mr. RICE. Does the Loisland Co. pay you dividends?

Mr. CLANCY. That has been dissolved.

Mr. RICE. The company is dissolved. Whatever company that this McCune and these fellows are in with you, does that pay dividends? What is the name of it now?

Mr. CLANCY. Each one was assigned a portion of the royalty in it.

Mr. RICE. Now you all have royalties?

Mr. CLANCY. We all have royalty.

Mr. RICE. What does it pay you annually now?

Mr. CLANCY. I imagine those royalties must pay me around—well, depends on the price of oil, around four or five thousand dollars a year.

Mr. RICE. Around four or five thousand dollars a year?

Mr. CLANCY. I imagine that must be it.

Mr. RICE. How about the Rutledge Wiseman, what does that pay?

Mr. CLANCY. That is a small amount. I do not know exactly.

Mr. RICE. Approximately?

Mr. CLANCY. I do not think over \$30 a month.

Mr. RICE. Around \$30 a month?

Mr. CLANCY. Yes; I think it must be that.

Mr. RICE. Did you tell us where you had bank accounts, Sheriff?

Mr. CLANCY. Yes, sir; I had bank accounts in the Gretna Exchange—well, it is the First National Bank of Jefferson.

Mr. RICE. Is that an individual account in your name?

Mr. CLANCY. Yes, sir.

Mr. RICE. A checking account?

Mr. CLANCY. Yes, sir.

Mr. RICE. Approximately what balance do you keep there?

Mr. CLANCY. Well, the balance is not very much, usually overdrawn.

Mr. RICE. What other accounts do you have?

Mr. CLANCY. I have one in Metairie.

Mr. RICE. In what bank?

Mr. CLANCY. Metairie Trust & Savings Bank.

Mr. RICE. Is that an individual account?

Mr. CLANCY. Yes, sir.

Mr. RICE. A checking?

Mr. CLANCY. Yes, sir.

Mr. RICE. What other accounts?

Mr. CLANCY. And one in the new bank at Kenner that just started.

Mr. RICE. And what was—

Mr. CLANCY. The Merchants Trust and Savings Bank at Kenner.

Mr. RICE. And what was the balance in the previous account?

Mr. CLANCY. In the Metairie bank?

Mr. RICE. Yes.

Mr. CLANCY. I imagine must be under a thousand dollars.

Mr. RICE. Under a thousand?

Mr. CLANCY. Yes.

Mr. RICE. How about the new bank at Kenner?

Mr. CLANCY. That one, that ought to have around \$4,000.

Mr. RICE. Around \$4,000. What other accounts do you have?

Mr. CLANCY. That is all.

Mr. RICE. Do you have any accounts out of the city?

Mr. CLANCY. No, sir.

Mr. RICE. Do you have a special account?

Mr. CLANCY. No, sir.

Mr. RICE. Do you have any joint accounts with your wife?

Mr. CLANCY. No, sir.

Mr. RICE. Have any safety-deposit box?

Mr. CLANCY. Yes, sir.

Mr. RICE. Where do you keep that?

Mr. CLANCY. Got one in the First National Bank in Gretna, and one in the bank in Kenner.

Mr. RICE. What do you keep in those?

Mr. CLANCY. The one in Gretna we keep—we kept those stocks and war bonds in that.

Mr. RICE. And do you keep any cash?

Mr. CLANCY. No, sir.

Mr. RICE. How about the other one?

Mr. CLANCY. The other one is nothing in it yet, but just rented the box, never put a thing in it, just opened.

Mr. RICE. How about your house, do you have any safe or safe-deposit box?

Mr. CLANCY. We have a little safe there.

Mr. RICE. You have a safe?

Mr. CLANCY. Yes.

Mr. RICE. With a combination?

Mr. CLANCY. Yes.

Mr. RICE. Is that a built-in safe?

Mr. CLANCY. Put in the chimney.

Mr. RICE. Put in the chimney?

Mr. CLANCY. Yes, sir.

Mr. RICE. What is the reason for having that?

Mr. CLANCY. To keep the jewels, the family jewels there.

Mr. RICE. And keep the cash in there, do you?

Mr. CLANCY. Well, we kept, maybe up to about three or \$400, because before we had the bank.

Mr. RICE. Before you had the bank?

Mr. CLANCY. Before we had the bank. We had no bank in Kenner.

Mr. RICE. Did you have a fire some time back?

Mr. CLANCY. Did I have a fire?

Mr. RICE. Yes.

Mr. CLANCY. Not that I recall. The lightning struck the house one time.

Mr. RICE. Lose anything in that?

Mr. CLANCY. Not that I know of.

Mr. RICE. Make a claim on it?

Mr. CLANCY. Yes, what you call claim. The insurance people came in and fixed the house.

Mr. RICE. Lose anything besides house furnishings, any jewelry or money, lose any of that?

Mr. CLANCY. Not that I can recall.

Mr. RICE. You do not recall making a claim on that?

Mr. CLANCY. No, sir. I do not recall ever making a claim for any jewelry.

Mr. RICE. Is it possible that you did?

Mr. CLANCY. I believe my daughter one time lost a ring and she made a claim for it.

Mr. RICE. That was not in that lightning strike, though?

Mr. CLANCY. No; I do not think lightning had anything to do with that, I do not think.

Mr. RICE. Do you have rental property; do you rent any property out?

Mr. CLANCY. Yes, sir; we rent a few little houses.

Mr. RICE. A few little houses. You own the houses, do you not?

Mr. CLANCY. Yes, sir.

Mr. RICE. You did not mention those when you listed the property some time back; what did you do, forget those?

Mr. CLANCY. That was property I inherited from my father.

Mr. RICE. Property you inherited. I asked you whether you forgot, about an hour ago when we asked you what property you had.

Mr. CLANCY. Well, I thought I included all of the property.

Mr. RICE. You thought you included it all?

Mr. CLANCY. Yes, sir; I thought I had.

Mr. RICE. Now you want to add a little more?

Mr. CLANCY. Yes, sir; because it is not that much to it.

Mr. RICE. It is income-producing property, is it not?

Mr. CLANCY. I believe it produces about \$150 a year.

Mr. RICE. If certain records that you have indicate it produces substantially more, I take it that your memory is as bad on that as it is on what property you have; it could be more?

Mr. CLANCY. I do not think it could be any more. If it is, I do not know where it is at.

The CHAIRMAN. How many rental houses are there?

Mr. CLANCY. There is about, I think, my wife has about three or four Negro shacks and I have two.

Mr. RICE. Over the past 4 years what would you say your approximate total income has been yearly, on an annual basis?

Mr. CLANCY. I imagine my income must have been \$20,000 or better.

Mr. RICE. Better than 20, could it be better than 30?

Mr. CLANCY. It could have been.

Mr. RICE. Would you want to say somewhere between 20 and 50?

Mr. CLANCY. Well, it could be that, too, sir.

Mr. RICE. It could be that, too?

Mr. CLANCY. Yes.

Mr. RICE. Over the past 4 years what would you say your average income was?

Mr. CLANCY. I would say the average income would be around \$20,000 or a little better.

Mr. RICE. A little better than \$20,000?

Mr. CLANCY. That is right, sir.

Mr. RICE. What is your salary as sheriff?

Mr. CLANCY. Around \$6,000 a year.

Mr. RICE. Around \$6,000?

Mr. CLANCY. That is right.

Mr. RICE. Possibly I could refresh your recollection by certain records which indicate that the salary is nearer \$4,800?

Mr. CLANCY. No, it has been raised.

Mr. RICE. It has been raised?

Mr. CLANCY. Yes.

Mr. RICE. Over the past 4 years?

Mr. CLANCY. It has been raised.

Mr. RICE. When was it raised?

Mr. CLANCY. I think we get now \$571 a month, or \$561 a month.

Mr. RICE. I have a record which indicates that the income from the office of sheriff for the year 1946 was \$4,887.48.

Mr. CLANCY. That is right. It was raised after that.

Mr. RICE. Raised after that?

Mr. CLANCY. I think it was raised in 1948, I believe.

Mr. RICE. In 1948?

Mr. CLANCY. Yes.

Mr. RICE. In 1947, \$4,887.48.

Mr. CLANCY. Yes.

Mr. RICE. In 1948 you show \$5,700. What makes up the balance of your income which is in excess of \$20,000?

Mr. CLANCY. Well, I play a lot of race horses.

Mr. RICE. You play a lot of race horses?

Mr. CLANCY. Yes, sir.

Mr. RICE. Proceed.

Mr. CLANCY. That is the source of my revenue, and any other speculation, I buy cattle and sell cattle.

Mr. RICE. You buy and sell cattle?

Mr. CLANCY. Yes.

Mr. RICE. You had a substantial loss in your cattle business, did you not?

Mr. CLANCY. Not all of the time. On the farm we do, but I buy for some people and sell, and sell them at a little profit to them.

Mr. RICE. So that your cattle dealings do not account for a very substantial amount.

Mr. CLANCY. No, sir, not yet, no.

Mr. RICE. Is the most substantial part of your income from playing the race horses?

Mr. CLANCY. Yes.

Mr. RICE. Where do you play?

Mr. CLANCY. I play at the race track and in the books.

Mr. RICE. Play with the books?

Mr. CLANCY. Yes, sir.

Mr. RICE. And what books do you play with?

Mr. CLANCY. Well, I give the money to the fellows that go out and bet whenever I get a tip on the horse.

Mr. RICE. You give the money to some of the fellows to go out and bet?

Mr. CLANCY. That is right; yes, sir.

Mr. RICE. Who are some of these fellows that you give the money to go out and bet?

Mr. CLANCY. Mr. Saul Fink.

Mr. RICE. Saul Fink?

Mr. CLANCY. Yes.

Mr. RICE. Is he related to Herbie Fink?

Mr. CLANCY. What is that?

Mr. RICE. Is he related to Herbie Fink?

Mr. CLANCY. I believe he is a brother.

Mr. RICE. He is a brother?

Mr. CLANCY. Yes.

Mr. RICE. He operates out of the Bank Club?

Mr. CLANCY. No; he is night watchman at the courthouse.

Mr. RICE. He is night watchman at the courthouse?

Mr. CLANCY. That is right.

Mr. RICE. That is, Saul is?

Mr. CLANCY. Yes; that is right.

Mr. RICE. Horses do not run at night, do they?

Mr. CLANCY. No, sir, but he is around there in the daytime.

Mr. RICE. He is around there in the day?

Mr. CLANCY. He is a cripple and he is around there practically all day.

Mr. RICE. Do you place bets with any other bookies?

Mr. CLANCY. Well, I do not know just where he bets them. He bets them in Gretna there.

Mr. RICE. You bet with him, and how about others?

Mr. CLANCY. I give it to him and he makes the bets for me.

Mr. RICE. He selects any books?

Mr. CLANCY. Any books.

Mr. RICE. Do you keep any records on your wagers?

Mr. CLANCY. No, sir; I do not.

Mr. RICE. How do you know how much you win then?

Mr. CLANCY. Well, I accumulate some money and I go and deposit it.

Mr. RICE. You put it in the bank?

Mr. CLANCY. That is right, sir.

Mr. RICE. So all of this money that you win from the horses you put in the bank?

Mr. CLANCY. I do, sir.

Mr. RICE. You do not keep any of it aside?

Mr. CLANCY. No, sir.

Mr. RICE. You do not keep a record on it?

Mr. CLANCY. No, sir.

Mr. RICE. So your bank deposits are the record?

Mr. CLANCY. That is my record; yes, sir.

Mr. RICE. What bank do you keep these deposits in?

Mr. CLANCY. Those go in the First National Bank.

Mr. RICE. All of the gambling bets go in the First National?

Mr. CLANCY. All except one.

Mr. RICE. Yes.

Mr. CLANCY. That went into—since the Kenner Bank opened, that went in the Kenner Bank.

Mr. RICE. All right, sir. Would you say that you have placed any bets with anyone other than Saul Fink?

Mr. CLANCY. Yes, sir; I have watched the race track very often.

Mr. RICE. You go out to the track?

Mr. CLANCY. Yes, sir.

Mr. RICE. What track is that?

Mr. CLANCY. Fairgrounds.

Mr. RICE. On an average day's play at the track, how much do you bet?

Mr. CLANCY. I will bet several hundred dollars.

Mr. RICE. Several hundred dollars?

Mr. CLANCY. Yes, sir.

Senator TOBEY. You made \$78,000 the last 4 years betting—you took in \$78,000 in the last 4 years on your gambling on horses.

Mr. CLANCY. I think so.

Senator TOBEY. So you, the sheriff, taking \$78,000 in 4 years' time by the means of which you patronize the very things that you took an oath of office to put out of business; is that correct?

Mr. CLANCY. That is correct, sir.

Senator HUNT. May I ask a question?

The CHAIRMAN. Yes.

Senator HUNT. Sheriff, what is the population of the parish?

Mr. CLANCY. About 102,000.

Senator HUNT. How many votes are cast?

Mr. CLANCY. In the neighborhood of 30,000.

Senator HUNT. You have been elected how many times?

Mr. CLANCY. Six times.

Senator HUNT. The last time you were elected you told the people that you were not going to enforce the gambling laws; is that right?

Mr. CLANCY. Yes.

Senator HUNT. You plainly told them that?

Mr. CLANCY. Yes.

Senator HUNT. What was your majority in it?

Mr. CLANCY. I had three opponents, and I beat them all in the first primary, in the neighborhood of 4,000 votes.

Senator HUNT. Are we correct then in assuming that the majority of the people of your parish believe in law violation?

Mr. CLANCY. I'd say in gambling they do.

Senator HUNT. That is not a very favorable picture for the people of your community then; is it?

Mr. CLANCY. That is true, Senator.

Senator HUNT. That is rather distasteful, or should be to the people of your parish to have it held up throughout the United States as made up of citizens who do not believe in law enforcement; is that right?

Mr. CLANCY. Well, the parish has grown, it has grown over 100 percent in the past 10 years, Senator.

Senator HUNT. That is all.

Senator TOBEY. This \$78,000 you have taken in—I think it is probably elementary—there are very few people that play the horses that can come away with \$78,000 and develop it in 4 years operation. Now the question I propound is this—it does not seem an incongruity to me in view of what you have testified: What special arrangements do you get with the track whereby you are paid in a different degree than the common gambler down there?

Mr. CLANCY. I do not have any agreement with the track.

Senator TOBEY. They force it on you; "Come and take it as a good fellow," they say?

Mr. CLANCY. No, sir.

Senator TOBEY. How do you account for your getting \$78,000 and getting away with it in 4 years time when most men go broke?

Mr. CLANCY. They try to play every race.

Senator TOBEY. What is your formula?

Mr. CLANCY. My formula is to play the last race or the last two races.

Senator TOBEY. Do you know the nags or the jockeys?

Mr. CLANCY. Yes, sir; I get some very good information.

Senator TOBEY. Where do you get it from?

Mr. CLANCY. From the stable boys and the owners.

Senator TOBEY. You pay them for the information?

Mr. CLANCY. No, sir.

Senator TOBEY. What is the quid pro quo that makes them tell you, the sheriff—to stand in well with the sheriff?

Mr. CLANCY. That is not it.

Senator TOBEY. How do you account for that?

Mr. CLANCY. I guess whenever they are broke and they want to borrow something they usually come to me.

Senator TOBEY. They know you are a good angel and, therefore, feed you up?

Mr. CLANCY. That might be it.

Senator TOBEY. And you fatten it back later on?

Mr. CLANCY. Yes.

Senator TOBEY. They have an accounts receivable to cash in on as if and when?

Mr. CLANCY. I did not hear.

Senator TOBEY. They have an accounts receivable in Clancy so that when they are broke they can cash in for favors given?

Mr. CLANCY. They have done it.

Senator TOBEY. And probably will keep on doing it so long as you are sheriff?

Mr. CLANCY. I presume they would, Senator.

Senator TOBEY. How does it happen that these attachés, these boys and the hoi polloi that surround the race tracks, they go broke, but the sheriff comes out with \$78,000?

Mr. CLANCY. They try to play every race, Senator, and you cannot play every race and win.



Senator TOBEY. Your Clancy method of operating the tracks and the books wins?

Mr. CLANCY. You do not always win, you do not win every time.

Senator TOBEY. You won enough to get \$78,000 in the clear in 4 years' time, which is pretty good, is it not?

Mr. CLANCY. Yes, sir. I think there has been a lot of others that have made money betting races.

Senator TOBEY. The sheriff of the county, sworn to uphold the law—it is illegal in the State—carries on an employment agency for these gambling places and the race tracks, and building up good will which elects him to office every time without any trouble at all, and he himself by playing the game he is sworn to defeat and throw out of business, walks around with \$78,000. So he sits before the Senate committee with a smile on his face and says, "Pretty good after all." Is that right?

Mr. CLANCY. Well, Senator, that is the way you put it.

Senator TOBEY. How do you think about it? You sit here with a benign look on your face and it is all to your everlasting discredit, yet you keep a smile on. I wish I could have that state of mind.

Mr. CLANCY. Maybe it is a trait of mine that I always smile, Senator.

Senator TOBEY. I see.

The CHAIRMAN. What is the difference between the first races and the last races?

Mr. CLANCY. Well, if you play the first races, you stay there and get hooked and try to get out. If you play the last races, you get a winner, you go home.

The CHAIRMAN. I am sure of that. We will have a 5-minute recess.

Senator TOBEY. This thing is not comedy, friends. It is tragedy, remember that. I want to make that comment before the recess. Sitting here under the dome of the Capitol, the flag flying overhead, 150,000,000 people in the hinterlands, and we regard this testimony this morning in the personality of this person, what he has done, how the law is flaunted. We are all human, it is easy to laugh, but before God, this has the elements of tragedy and not of humor.

(A short recess was taken.)

The CHAIRMAN. Let us come to order.

Let us try to conclude as reasonably as we can. All right, Mr. Rice.

Senator HUNT. Mr. Chairman, I have a few questions.

The CHAIRMAN. Very well.

Senator HUNT. I should like to ask these of the witness. Sheriff, there is no question, of course, in your mind but what you have full and complete authority over all of the incorporated communities in your parish, you are charged with the law enforcement of the full parish, are you not; legally, there is no question in your mind about that?

Mr. CLANCY. That I can close them?

Senator HUNT. Now the question I want to ask you is, with that in mind, when you go back, are you going to close up the rest of the places or let them run?

Mr. CLANCY. Going to close them up.

Senator HUNT. That is fine. That is all.

The CHAIRMAN. The places in Gretna and those towns, is that what you are talking about?

Mr. CLANCY. I am satisfied that the Senator's interpretation of the law is correct and I am going to close them.

The CHAIRMAN. How about Beauregard Miller, will you have some trouble with him?

Mr. CLANCY. He will have to get an injunction against me. That is about the only way he can stop it.

The CHAIRMAN. So you are really going to go after the rest of them?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. I am not, of course, approving what you had down there a long time, because you think the people of the parish now want the places closed up, and that you are going to close them, that is your opinion?

Mr. CLANCY. I am firmly of that opinion, Senator.

The CHAIRMAN. Sheriff, I may say that I think there have been a lot of places where officers have thought that maybe the people wanted these places open that actually the people did not even want them years and years ago, but you are now fully determined on that?

Mr. CLANCY. Determined to keep them closed.

The CHAIRMAN. All right, Mr. Rice.

Mr. RICE. Sheriff, do you know Louis Badalamenti?

Mr. CLANCY. Yes, sir.

Mr. RICE. What dealings have you had with Badalamenti?

Mr. CLANCY. I bought some cattle from him after the 1947 hurricane.

Mr. RICE. You had quite a substantial loss then; did you not?

Mr. CLANCY. Yes, sir; we had a loss.

Mr. RICE. Who is Louis Badalamenti?

Mr. CLANCY. I have heard this, this is only hearsay, that he is connected in one of those—he is either New Southport or Old Southport.

Mr. RICE. He is connected with gambling?

Mr. CLANCY. I have always known him as a dairyman, runs a couple of dairies down there.

Mr. RICE. Your transactions were confined to buying cattle from him?

Mr. CLANCY. That is all, sir.

Mr. RICE. Did you have any interest in his dairy farms?

Mr. CLANCY. No, sir.

Mr. RICE. Is not Badalamenti a relative of Carlos Marcello?

Mr. CLANCY. What is that?

Mr. RICE. Is he not a relative of Marcello?

Mr. CLANCY. I have not heard that; I do not know.

Mr. RICE. What relationship have you heard that he is?

Mr. CLANCY. I heard that they were brothers-in-law?

Mr. RICE. Brothers-in-law?

Mr. CLANCY. That is what I have heard.

Mr. RICE. Now then, does not Badalamenti, also, have an interest in the slot machines, the L. & B. Amusement Co.?

Mr. CLANCY. He may have.

Mr. RICE. He may have?

Mr. CLANCY. Yes, sir.

Mr. RICE. Have you heard that?

Mr. CLANCY. I have heard that, too.

Mr. RICE. Now then, Badalamenti, does he have a criminal record?

Mr. CLANCY. Sir?

Mr. RICE. Does he have a criminal record?

Mr. CLANCY. Not that I know of.

Mr. RICE. How many slot machines do you have in the parish, Sheriff?

Mr. CLANCY. That would be pretty hard to state. I really would not know.

Mr. RICE. It has been said that you have 5,000. You have told us that they do not operate unless they are local people, you had some control there. How many slot machines do they have there?

Mr. CLANCY. I have no idea, Mr. Rice, because the best way to have found that out—I could have found that out by finding out from the collector of revenue. They get their license. You know they are all licensed by the State and the Federal.

Mr. RICE. Did you ever try that?

Mr. CLANCY. No, sir; I never have.

Mr. RICE. Never tried that?

Mr. CLANCY. No.

Mr. RICE. So if I told you that there were 5,000 you would not be able to dispute that; would you?

Mr. CLANCY. No, sir; I could not.

Mr. RICE. The only thing you can say is that there are none in there that you do not know about?

Mr. CLANCY. That is right.

Mr. RICE. All right. Is it not true that Marcello is "Mr. Big" when it comes to slot machines?

Mr. CLANCY. No, sir; I would not say that.

Mr. RICE. Who is?

Mr. CLANCY. There is nobody.

Mr. RICE. Where do the operators get their machines?

Mr. CLANCY. Sir?

Mr. RICE. Where do they come from?

Mr. CLANCY. I do not know. I believe they buy them from Mills Bros.

Mr. RICE. Buy them from the Mills Bros.?

Mr. CLANCY. That is what I understand.

Mr. RICE. Which Mills Bros. are you talking about?

Mr. CLANCY. Some firm in Chicago, I think.

Mr. RICE. The Mills firm in Chicago.

Mr. CLANCY. I think that is where they come from. I am not positive. I think that is where they come from.

Mr. RICE. Are any of them made there in——

Mr. CLANCY. Unless there is some old machines that are made over.

Mr. RICE. Some old machines that are reconditioned?

Mr. CLANCY. Yes; that is right, reconditioned.

Mr. RICE. Who does that?

Mr. CLANCY. I really do not know.

Mr. RICE. Well, now, have you heard anything about a proposed slot-machine factory there?

Mr. CLANCY. No, sir; I have not.

Mr. RICE. On the Jefferson Highway?

Mr. CLANCY. Yes.

Mr. RICE. That is in your parish, the Jefferson Highway?

Mr. CLANCY. Yes, sir.

Mr. RICE. Did you ever hear about this fellow from Chicago named Brown that is down there dickering in Jefferson Highway to build a slot-machine factory?

Mr. CLANCY. No, sir; I have not heard of him.

Mr. RICE. Brown is a man that has a criminal record, he is down there from Chicago, and he has made arrangements to rent a building down there on Jefferson Highway. You might check into that.

Mr. CLANCY. I do not think he will make any slot machines there.

Mr. RICE. I understand that dies have already been shipped in for tooling up to make the machines down there.

Mr. CLANCY. Well, if they have done that, they will only find out that they won't be.

Mr. RICE. To defeat the purposes of the law that was enacted to prevent the interstate shipment of slot machines. You do not know anything about that?

Mr. CLANCY. No, sir; I do not know anything about it. I know the law has been; preventing interstate shipment of slot machines.

Mr. RICE. Ever heard of the Mafia?

Mr. CLANCY. Yes, sir.

Mr. RICE. What is that?

Mr. CLANCY. That is what we call Black Hand down there.

Mr. RICE. What about the Black Hand; how does that operate down there?

Mr. CLANCY. I do not know of any in operation now, but back in about 1906 or 1908 I heard of it operating down there.

Mr. RICE. In 1906. Then what happened?

Mr. CLANCY. I believe they kidnaped Boyd in New Orleans and brought him out to St. Charles Parish and killed him.

Mr. RICE. The Black Hand?

Mr. CLANCY. That is what they said. I was quite young.

Mr. RICE. Do you know of the Black Diamond Club?

Mr. CLANCY. I do not; no.

Mr. RICE. Ever heard of it?

Mr. CLANCY. No.

Mr. RICE. Heard of the Mafia being in the Black Diamond Club within the last several years?

Mr. CLANCY. No, sir.

Mr. RICE. Just out-of-the-State hoodlums and Costello meeting there?

Mr. CLANCY. I never heard of that.

Mr. RICE. Along with Marcello?

Mr. CLANCY. Never heard of that.

Mr. RICE. Sam Corolla; ever know him?

Mr. CLANCY. No.

Mr. RICE. Ever heard of him?

Mr. CLANCY. I have heard of him.

Mr. RICE. Who is he?

Mr. CLANCY. He is a fellow just recently deported.

Mr. RICE. What business was he in?

Mr. CLANCY. I do not know. I heard that he was convicted of dope one time.

Mr. RICE. That is right.

The CHAIRMAN. Did he live up in Jefferson Parish?

Mr. CLANCY. Sir?

The CHAIRMAN. Did he live in your parish?

Mr. CLANCY. Not to my knowledge.

Mr. RICE. How about Slidell; is that in your parish?

Mr. CLANCY. That is in St. Tammany.

Mr. RICE. Ever hear of the Willswood Tavern?

Mr. CLANCY. Yes, sir.

Mr. RICE. What type of place is that?

Mr. CLANCY. That is right out on the duck pond.

Mr. RICE. Where?

Mr. CLANCY. On the highway; right on the duck pond.

Mr. RICE. On the duck pond. That is in your parish, is it not?

Mr. CLANCY. Yes, sir.

Mr. RICE. Who runs the Willswood Tavern?

Mr. CLANCY. I do not know who runs it.

Mr. RICE. Who is supposed to run it?

Mr. CLANCY. That I would not know. I have never stopped at that place.

Mr. RICE. Could it be one of the Marcellos?

Mr. CLANCY. It could be.

Mr. RICE. Someone fronting for Marcello?

Mr. CLANCY. It could be.

Mr. RICE. Ever heard of the Mafia having a meeting at the Willswood Tavern?

Mr. CLANCY. I never heard of that; no, sir.

Mr. RICE. Do you feel that you are up to date on your Mafia activities in your parish?

Mr. CLANCY. I think if there was anything I would hear about it.

Mr. RICE. You take the position that there is not any Mafia in your parish now?

Mr. CLANCY. I do not think there is.

Mr. RICE. You do not think there is?

Mr. CLANCY. I do not think there is; that is right.

Mr. RICE. Jess Servella, ever heard of him down there?

Mr. CLANCY. Who?

Mr. RICE. Servella, who came over from Dallas; a narcotic convict from over there.

Mr. CLANCY. No, sir; never heard of him.

Mr. RICE. Never heard of him?

Mr. CLANCY. No.

Mr. RICE. He has been there.

Mr. CLANCY. He may have been.

Mr. RICE. I understand that Marcello had been in telephone touch with Servella from over in Dallas and Vallone from over in Texas, some of the Chicago boys, all of whom are connected with the Mafia-type organization. It would seem that it might be wise to check toll calls on some of these fellows down there. You have an opportunity to do that, do you not, Sheriff?

Mr. CLANCY. Well, you would have to make some arrangements with the telephone company.

Mr. RICE. Yes, sir. That is easy enough made.

Mr. CLANCY. Yes, sir.

Mr. RICE. Do you have a deputy by the name of Sartes?

Mr. CLANCY. Who?

Mr. RICE. S-a-r-t-e-s, Arthur Sartes?

Mr. CLANCY. Yes, sir.

Mr. RICE. Is he a paid deputy?

Mr. CLANCY. Well, he has not worked in 2 years.

Mr. RICE. Has not worked in 2 years?

Mr. CLANCY. No, sir.

Mr. RICE. Do you mean——

Mr. CLANCY. He has heart trouble and has not been able to do a thing. We give him a few papers to serve right close to the courthouse around there.

Mr. RICE. Does he not stay in the Billionaire's Club?

Mr. CLANCY. No, sir; not to my knowledge. For the past 2 years I think he had been confined to his home.

Mr. RICE. Before that was he assigned to the Billionaire's Club?

Mr. CLANCY. No, sir; not to my knowledge.

Mr. RICE. It is possible, though, is it not?

Mr. CLANCY. He could have went in there often.

Mr. RICE. How about the Moulin Rouge, a special place on Highway No. 2?

Mr. CLANCY. Yes, sir, I know where that is at.

Mr. RICE. Do you have any deputies in there?

Mr. CLANCY. Not that I know of.

Mr. RICE. How about William Gomez?

Mr. CLANCY. He might be paid by Spec to keep down trouble there.

Mr. RICE. He is paid by Spec as a strong-arm man or bouncer?

Mr. CLANCY. I would not call it that. In the event drunks come in there, to get them out.

Mr. RICE. He throws out the drunks?

Mr. CLANCY. I imagine that is what you would call it.

Mr. RICE. He is a deputy?

Mr. CLANCY. He may have a commission. I would not know.

Mr. RICE. You know who has commissions?

Mr. CLANCY. I do not have the record before me.

Mr. RICE. You do not have the record before you?

Mr. CLANCY. No.

Mr. RICE. Do you want to take the position that you have deputies on your staff that you do not know their names?

Mr. CLANCY. They watch at a dance hall, that is——

Mr. RICE. They are dance-hall bouncers?

Mr. CLANCY. We do not pay them. They are paid by the operator of the dance hall.

Mr. RICE. But still they have a deputy sheriff's commission?

Mr. CLANCY. He gets a commission.

Mr. RICE. They have police powers?

Mr. CLANCY. That is right.

Mr. RICE. They have a badge?

Mr. CLANCY. I do not know. A lot of them have badges. A lot of them do not have badges.

Mr. RICE. How about Salvatore Palmasanto?

Mr. CLANCY. Who is that?

Mr. RICE. Salvatore; do you have a deputy by that name?

Mr. CLANCY. I may have. I would not say offhandedly.

Mr. RICE. You could have?

Mr. CLANCY. Yes, sir; could have. There is quite a number of Palmasantos.

Mr. RICE. He has the duty of bouncer at the Saladin Club; would that help you?

Mr. CLANCY. Not that I know.

Mr. RICE. How about Phil Harrington?

Mr. CLANCY. He is a regular office deputy.

Mr. RICE. A regular office deputy?

Mr. CLANCY. Yes.

Mr. RICE. Does he have employment at the Rose Room?

Mr. CLANCY. No.

Mr. RICE. Sure about that?

Mr. CLANCY. Not that I know of.

Mr. RICE. It is possible, though?

Mr. CLANCY. Yes.

Mr. RICE. How about Marano?

Mr. CLANCY. Who is that?

Mr. RICE. Marano; a deputy by the name of Marano.

Mr. CLANCY. How do you spell it?

Mr. RICE. M-a-r-a-n-o, or M-o-r-o-n-a; Morona?

Mr. CLANCY. Not that I know of.

Mr. RICE. You do not have any?

Mr. CLANCY. Not that I know of.

Mr. RICE. A deputy in the station, in the Moonlight Inn on Fourth Street?

Mr. CLANCY. That would be under the same conditions as the Moulin Rouge.

Mr. RICE. It is possible?

Mr. CLANCY. There could be one there.

Mr. RICE. Do you have a list of deputies?

Mr. CLANCY. Yes, sir; we have them down in the office.

Mr. RICE. So it can be checked?

Mr. CLANCY. Yes, sir.

Mr. RICE. And quite a few of these people, it is possible that they are in these gambling establishments without your knowing about it; is that right?

Mr. CLANCY. That is right, sir.

Mr. RICE. How about Savage?

Mr. CLANCY. Who is that?

Mr. RICE. Savage, a deputy; Savage?

Mr. CLANCY. I do not know of him.

Mr. RICE. Is he not stationed at the Wego Inn?

Mr. CLANCY. He could have a deputy commission and he could have a marshal's commission.

Mr. RICE. Could have?

Mr. CLANCY. Yes, sir.

Mr. RICE. How about Kuss; Ike Kuss?

Mr. CLANCY. I do not think he has a commission.

Mr. RICE. You do not think he has a commission?

Mr. CLANCY. I do not think he has.

Mr. RICE. It is possible, though, is it not?

Mr. CLANCY. Yes; it is possible; yes, sir.

Mr. RICE. He is related to somebody down there, is he not?

Mr. CLANCY. Ike Kuss is related to the mayor of Harahan.

Mr. RICE. Related to the mayor?

Mr. CLANCY. To the mayor of Harahan.

Mr. RICE. What is he the mayor of?

Mr. CLANCY. The mayor of the town of Harahan.

Mr. RICE. And it is possible that he has a special deputy commission?

Mr. CLANCY. It is possible.

Mr. RICE. And works in a gambling club?

Mr. CLANCY. Yes, sir.

Mr. RICE. How about Bing; Deputy Bing?

Mr. CLANCY. He could have a commission, too.

Mr. RICE. The same thing?

Mr. CLANCY. Yes.

Mr. RICE. Do you know what club he is assigned to?

Mr. CLANCY. No, sir; I do not.

Mr. RICE. How about William Gardner?

Mr. CLANCY. Gardner, I believe, works for the power and light company.

Mr. RICE. Does he have a special deputy commission?

Mr. CLANCY. Yes, sir; I think he has.

Mr. RICE. He works among the clubs?

Mr. CLANCY. Not that I know of. He may be.

Mr. RICE. May be?

Mr. CLANCY. Yes, sir.

Mr. RICE. How about Frank Lorasella?

Mr. CLANCY. Yes; I think he has. He did have a commission some years ago.

Mr. RICE. He did have a commission?

Mr. CLANCY. Yes, sir.

Mr. RICE. You do not know whether he still has or not?

Mr. CLANCY. I do not know whether he has got it yet or not.

Mr. RICE. How often do you check up to see who is on the list there?

Mr. CLANCY. Every time we take office, they have got to get a new commission.

Mr. RICE. Every 4 years?

Mr. CLANCY. Every 4 years; yes, sir.

Mr. RICE. And every 4 years, then, you find out who you have; is that it?

Mr. CLANCY. That is right; unless we call in the commission.

Mr. RICE. How about Vic Carolla?

Mr. CLANCY. Carolla?

Mr. RICE. Yes.

Mr. CLANCY. He has no commission.

Mr. RICE. You know some that do not have, do you not?

Mr. CLANCY. What is that?

Mr. RICE. You know about some?

Mr. CLANCY. He used to be town marshal in Kenner. I am sure he has no commission.

Mr. RICE. What is the narcotics thing that happened at Bridgedale the other day, where they got \$21,000 worth of narcotics; how did that happen?



Mr. CLANCY. That is one of the cases they had been working on for some time, and called me up. They had the case set up, and I told them to go on out.

Mr. RICE. Did the Federal Bureau of Narcotics handle that?

Mr. CLANCY. We have a man that used to be with the Federal Bureau of Narcotics working for us, handling our narcotic division now, and the man that was working with him is the one that called me about it. So I think they work in conjunction with each other.

Mr. RICE. The people that have these narcotics, what were they going to do with them?

Mr. CLANCY. They charged them.

Mr. RICE. They were going to sell them in your parish; were they not?

Mr. CLANCY. What is that?

Mr. RICE. They were selling the narcotics in your parish?

Mr. CLANCY. I do not know that they were selling them there.

Mr. RICE. They had it there, though?

Mr. CLANCY. Sir?

Mr. RICE. They had the narcotics there?

Mr. CLANCY. They had the narcotics there. I think they had them there for rolling the cigarettes and bringing them in to New Orleans.

Mr. RICE. To bring them in to New Orleans?

Mr. CLANCY. That is right.

Mr. RICE. New Orleans people come out to the clubs in the parish there; do they not?

Mr. CLANCY. I do not think they sell anything like that in those clubs. They would not permit them.

Mr. RICE. Are you pretty sure about that? That they do not sell them?

Mr. CLANCY. I am pretty sure.

Mr. RICE. There have been sales of narcotics in some of those clubs?

Mr. CLANCY. Not that I ever heard of.

Mr. RICE. Was there a bond issue sometime back for the purpose of building schools in Jefferson Parish?

Mr. CLANCY. Yes.

Mr. RICE. What was the amount of that bond issue?

Mr. CLANCY. The last one, I believe, was \$5,000,000.

Mr. RICE. What year was that?

Mr. CLANCY. Just last year.

Mr. RICE. Just last year?

Mr. CLANCY. Yes, sir.

Mr. RICE. There was one sometime back; was there not? Just before that?

Mr. CLANCY. About 10 years ago, something like that.

Mr. RICE. Following up that bond issue, the parish acquired certain property?

Mr. CLANCY. That is right, sir.

Mr. RICE. And did you sell any property to the parish in connection with that?

Mr. CLANCY. That is right, sir; I did.

Mr. RICE. You did sell some of it?

Mr. CLANCY. Yes.

Mr. RICE. How much did you sell?

Mr. CLANCY. I do not know just what.

Mr. RICE. Approximately?

Mr. CLANCY. What I sold I imagine we must have sold in the neighborhood of five thousand.

Mr. RICE. You sold about \$5,000 worth?

Mr. CLANCY. Yes, sir; I think it was.

Mr. RICE. Of real estate?

Mr. CLANCY. Yes.

Mr. RICE. And how much did you sell it to the parish for?

Mr. CLANCY. I really do not know. I could not tell you.

Mr. RICE. What did it cost you?

Mr. CLANCY. Cost me?

Mr. RICE. Yes.

Mr. CLANCY. I was in with Lorasella, Heebie, and my son-in-law, and myself, and we bought a large tract. We had a large tract on an option.

Mr. RICE. You bought a tract on an option?

Mr. CLANCY. Yes, sir.

Mr. RICE. Before the bond issue?

Mr. CLANCY. Yes, sir; quite a while before the bond issue.

Mr. RICE. Did you have a little hint that there was going to be a bond issue?

Mr. CLANCY. Yes, sir.

Mr. RICE. And you speculated a little bit; did you not?

Mr. CLANCY. Yes.

Senator TOBEY. On a sure thing?

Mr. CLANCY. Well, it is not sure; bond issues are not sure.

Senator TOBEY. You had advance information there was going to be a bond issue, and took the option?

Mr. CLANCY. It was a good buy.

Senator TOBEY. I do not doubt that, but you had advance information or suggestions that there would be a bond issue and you went ahead and took options on the property; is that right?

Mr. CLANCY. No; before the bond issue was ever thought of we took an option on this property.

Senator TOBEY. At that time you never heard of the bond issue?

Mr. CLANCY. No, sir; at the time we took the option there was no bond issue thought of.

Senator TOBEY. You had a hint that it was coming; did you not?

Mr. CLANCY. No; not then.

Senator TOBEY. Just business acumen?

Mr. CLANCY. It was a good piece of property.

Mr. RICE. The same instinct that he used on horses.

The CHAIRMAN. How much money did you make out of it? That is the question.

Mr. CLANCY. We made quite a bit of money out of it. I'd say we must have made \$5,000 apiece out of it, just offhand; I am not positive.

The CHAIRMAN. All right.

Mr. RICE. Was Mrs. Alexander involved in that?

Mr. CLANCY. No; she sold some property, too.

Mr. RICE. She sold some property?

Mr. CLANCY. Yes, sir.

Mr. RICE. Is she your sister?

Mr. CLANCY. Yes, sir.

Mr. RICE. Is she in the syndicate that acquired this tract?

Mr. CLANCY. No, sir. She sold property she inherited.

Mr. RICE. She had foresight, too?

Mr. CLANCY. Sir?

Mr. RICE. She already had the property?

Mr. CLANCY. Yes; she inherited that. That had been in the family since 1891.

Mr. RICE. Is she not the president of the school board?

Mr. CLANCY. Yes, sir.

Mr. RICE. How about Mrs. McCune?

Mr. CLANCY. Who is that?

Mr. RICE. Mrs. McCune.

Mr. CLANCY. She works for me.

Mr. RICE. She is your secretary; is she not?

Mr. CLANCY. Yes, sir.

Mr. RICE. How did she make out on that?

Mr. CLANCY. I think she bought some property from the Homestead Liquidation, and sold it to the school board.

Mr. RICE. And she paid around a thousand dollars for that; did she not?

Mr. CLANCY. I really do not know.

Mr. RICE. And made about \$9,700?

Mr. CLANCY. I could not say. I have no idea.

Mr. RICE. Is she not related to this Judge McCune, that you previously mentioned as being connected in the padlock of this oil deal?

Mr. CLANCY. Sister-in-law.

Mr. RICE. Sister-in-law?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Senator Tobey, do you have any more questions?

Senator TOBEY. No; thank you.

The CHAIRMAN. You and Beauregard Miller have been political rivals; he ran for sheriff against you?

Mr. CLANCY. He ran against me twice.

The CHAIRMAN. And have you had any conflict with him relative to your recent decision to close up things in Jefferson?

Mr. CLANCY. I have not seen him, Senator.

The CHAIRMAN. He is not going to stand in your way?

Mr. CLANCY. No, sir; I am going to take the advice that the Senator said that I have the authority, and I am going to go ahead.

The CHAIRMAN. This matter of law enforcement in the parish, is that purely a matter of county enforcement, or does the State have any right to enforce the law?

Mr. CLANCY. The State could go in, too.

The CHAIRMAN. What do they have, just the highway patrol?

Mr. CLANCY. That is all, sir, and they are very limited with their men. They have their men on the highway.

The CHAIRMAN. Has there been any agreement between you and any State official with reference to this?

Mr. CLANCY. No, sir; none whatever.

The CHAIRMAN. Letting the operation go on?

Mr. CLANCY. No, sir.

The CHAIRMAN. How about closing them down, have you had any agreement with the State about closing them down?

Mr. CLANCY. No, sir.

The CHAIRMAN. You are acting purely on your own?

Mr. CLANCY. That is right, sir.

The CHAIRMAN. Does the State ever at any time send any of its highway patrolmen or enforcement officers to close these places down?

Mr. CLANCY. They have not done that in over 20 years.

The CHAIRMAN. In over 20 years?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. Do you know Frank Costello?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. Never have met him?

Mr. CLANCY. No, sir.

The CHAIRMAN. All of your dealings with the Beverly Club were with Phil Kastel?

Mr. CLANCY. Yes; that is right.

The CHAIRMAN. Through this fellow Cassagne, he is the man sort of in charge of looking after who is the local person who is entitled to operate the slot machines, or do you do that yourself?

Mr. CLANCY. No, sir. The people want to put them in, they put theirs in. They never consult us about it.

The CHAIRMAN. The L. & B. Mint Co. was owned by outsiders?

Mr. CLANCY. They never operated in Jefferson.

The CHAIRMAN. After they moved out of New Orleans they moved into Jefferson?

Mr. CLANCY. They never operated in Jefferson.

The CHAIRMAN. You were asked some question about some negotiations you had with Mr. Mills who was one of the operators of the Club Foray and who left town when we got down there with reference to some oil transaction, and you would not answer it.

Mr. CLANCY. No, sir; we never had any oil dealings.

The CHAIRMAN. Why did you go on and answer in New Orleans?

Mr. CLANCY. I figured that you were trying to get me to admit that Mills was gambling there; that I was connected in it; but we were never connected in any oil deal.

The CHAIRMAN. In addition to these people making political campaign contributions, these slot-machine operators.

Mr. CLANCY. No, sir; not that I know of.

The CHAIRMAN. Club Foray?

Mr. CLANCY. No, sir.

The CHAIRMAN. Beverly Club?

Mr. CLANCY. No, sir.

The CHAIRMAN. You do not get any money from them?

Mr. CLANCY. No, sir.

The CHAIRMAN. For political purposes?

Mr. CLANCY. No, sir.

The CHAIRMAN. What company is the big slot-machine operator in Jefferson Parish?

Mr. CLANCY. I do not think there is any one big company. All of the different store owners.

The CHAIRMAN. I believe in the testimony as to the L. & B. Mint Co., they either turned over or made some deal with Marcello to operate the slot machines in Jefferson Parish. Did you know about that?

Mr. CLANCY. Marcello might operate some, but he does not operate all of the slot machines in Jefferson.

The CHAIRMAN. Was there any conversation with you?

Mr. CLANCY. No, sir.

The CHAIRMAN. That Marcello, when he came into operation—

Mr. CLANCY. No, sir.

The CHAIRMAN. Do you know whether Phil Kastel had any interest in the slot machines?

Mr. CLANCY. I could not say.

The CHAIRMAN. I wanted to ask you some questions about these charts. The staff has prepared some charts. The members of the committee have not had a chance to go over them very thoroughly, so I cannot allow any pictures of them to be made until we check them with our testimony to see that the different places and people named there are correctly identified and that the charts are correct, but I did want to ask you about some of Marcello's connections, if I may. I believe it is established that Marcello has quite a number of brothers.

The Beverly Club you have already testified about.

Carlos Marcello you say has an interest in that.

The New Southport Club is in your parish, and you say that Carlos Marcello was in the New Southport?

Mr. CLANCY. I think that he is; yes, sir.

The CHAIRMAN. And apparently, from this, some of the Marcellos had an interest in the Old Southport, do you think that is correct?

Mr. CLANCY. That could be. I would not know.

The CHAIRMAN. And Club Plaza, Kenner, La., is that in your parish?

Mr. CLANCY. That is in the town of Kenner; yes, sir.

The CHAIRMAN. Is that not quite a substantial gambling place?

Mr. CLANCY. No, sir; it is not.

The CHAIRMAN. It is a gambling place?

Mr. CLANCY. I think they book horses there.

The CHAIRMAN. How about the Louisiana Quick Freeze & Storage Co. at Morgan City?

Mr. CLANCY. I do not know anything about that.

The CHAIRMAN. Is Harvey, La., in your territory?

Mr. CLANCY. Yes.

The CHAIRMAN. The Seaman's Cafe there, do you know of that?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. You do not know whether there is one there or not?

Mr. CLANCY. There are quite a few cafes.

The CHAIRMAN. Ivy's Place at Harvey?

Mr. CLANCY. I do not know.

The CHAIRMAN. Tragle's Dreamland Ballroom on the Airline Highway?

Mr. CLANCY. I believe that is closed now.

The CHAIRMAN. There has been a place of that kind?

Mr. CLANCY. I do not think there is any gambling connected with it.

The CHAIRMAN. Is that one of Marcello's?

Mr. CLANCY. That I could not say.

The CHAIRMAN. And the Brown Bomber Bar at Gretna, La., is that one of his places?

Mr. CLANCY. That I could not say.

The CHAIRMAN. You remember that place?

Mr. CLANCY. I have heard of it, but I thought it was a different place than Gretna. I thought it was up in Wagner.

The CHAIRMAN. And Shangri La at 400 Monroe Street, Gretna, do you know about that?

Mr. CLANCY. I know where that place is at.

The CHAIRMAN. Carlos Marcello have a mortgage on it?

Mr. CLANCY. He may have a mortgage on that.

The CHAIRMAN. Nelson's Roof Terrace, Gretna, do you know that place?

Mr. CLANCY. I know where it is at; yes, sir.

The CHAIRMAN. And Carlos Marcello, does he own that?

Mr. CLANCY. I could not answer that. I do not know.

The CHAIRMAN. Handbook and Wire Service, you know some of the Marcellos were in that?

Mr. CLANCY. What I have found out, that wire service at 117 Huey P. Long Avenue.

The CHAIRMAN. A place in New Orleans, you would not know about that?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. Marty Burke's place?

Mr. CLANCY. Yes.

The CHAIRMAN. Willswood?

Mr. CLANCY. That is on the highway to Raceland. I do not know who operates that.

The CHAIRMAN. But you know that that is sort of a hangout for Chicago people?

Mr. CLANCY. I could not say. I do not know. I know duck hunters and fishermen go there all of the time.

The CHAIRMAN. Foray, is that a place you know of?

Mr. CLANCY. That is out on the Airline Highway.

The CHAIRMAN. Texas Tavern, do you know that place?

Mr. CLANCY. No, sir; I do not know that.

The CHAIRMAN. The Billionaire Club, you have testified about that?

Mr. CLANCY. Yes; that is right.

The CHAIRMAN. That is one of Marcello's places?

Mr. CLANCY. No; I believe that belongs to Fink. He may be interested, but I would not know about it.

The CHAIRMAN. L. and B. Amusement Co., you know about that?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. You said you knew Louis Badalamenti?

Mr. CLANCY. I know him.

The CHAIRMAN. He runs that place?

Mr. CLANCY. I do not know. That may be Louis' place; I do not know.

The CHAIRMAN. Then his Badalamenti Wholesale Dairy Products, do you know of that?

Mr. CLANCY. I know where that is at.

The CHAIRMAN. Jeaneretta Amusement Co.?

Mr. CLANCY. I do not know anything about that. That is in New Iberia Parish.

The CHAIRMAN. Do you know about the Dixie Coin Machine Co. that operates in Gulfport and Biloxi?

Mr. CLANCY. No.

The CHAIRMAN. The Dixie Coin Machine Co. in Gretna?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. 320 Romaine Street?

Mr. CLANCY. No.

The CHAIRMAN. B. Robertson Distribution Co., do you know that place, that is in New Orleans?

Mr. CLANCY. No, sir; I do not.

The CHAIRMAN. How about the Bank Gambling Club, that is in your parish, is it not?

Mr. CLANCY. Yes, sir; I think that is the one at 117. I see you have 121 there.

The CHAIRMAN. You think that is 117?

Mr. CLANCY. I think that is 117. It is the one building there.

Mr. RICE. That is the one that Fink is in?

Mr. CLANCY. No, sir; Fink is not in there.

Mr. RICE. What is he in?

Mr. CLANCY. In the Billionaire.

The CHAIRMAN. Who runs the Bank Club?

Mr. CLANCY. I think Dick Guidry.

The CHAIRMAN. Do you know whether Marcello has an interest in that or not?

Mr. CLANCY. Not that I know of.

The CHAIRMAN. Midway Inn at 3322 North Drive, Marrero, La.?

Mr. CLANCY. I do not know who owns that.

The CHAIRMAN. It says here, "Now in the name of brother-in-law, Louis J. Badalamenti."

Mr. CLANCY. The Midway Inn?

The CHAIRMAN. Yes.

Mr. CLANCY. It may be.

The CHAIRMAN. Do you know whether that is true or not?

Mr. CLANCY. I do not know who owns that.

The CHAIRMAN. Al's Bar or Phil's Cafe at 508 Destrahan?

Mr. CLANCY. That is in our parish. I do not know who owns that.

The CHAIRMAN. How about the Jefferson Music Co., on Huey P. Long Avenue?

Mr. CLANCY. I really do not know who does. There is a place there.

The CHAIRMAN. A partnership of Marcello, Vinson, and so forth?

Mr. CLANCY. It could be.

The CHAIRMAN. Fogarty's Daily Sports News, you have testified about.

Mr. CLANCY. Yes.

The CHAIRMAN. Gay Paree?

Mr. CLANCY. That is some night club there on the highway.

The CHAIRMAN. And the cab company at Algiers, do you know whether Marcello owns that?

Mr. CLANCY. I do not know who owns that.

The CHAIRMAN. Gretna Seafood, 300 Monroe Street?

Mr. CLANCY. I do not know who owns that.

The CHAIRMAN. Do you know if Marcello had a \$12,000 mortgage on it?

Mr. CLANCY. No, sir; I would not know.

The CHAIRMAN. Grand Isle, La., speed boat, summer home; do you know anything about that?

Mr. CLANCY. No, sir; I do not know.

The CHAIRMAN. Do you know whether he has a used-car business?

Mr. CLANCY. No, sir; I do not know.

The CHAIRMAN. Well, that is the new slot-machine factory you have been asked about.

El Rico Bar, do you know anything about that, in New Orleans?

Mr. CLANCY. No.

The CHAIRMAN. Almerico's used-car business?

Mr. CLANCY. No, sir; I do not know that.

The CHAIRMAN. Pickens Oil Fields?

Mr. CLANCY. No.

The CHAIRMAN. Console Distributing Co.?

Mr. CLANCY. No. 34 Metairie Boulevard.

The CHAIRMAN. State Distributing Co., Inc., slot machines, at 757 Shrewsbury Road?

Mr. CLANCY. No, sir; I do not know about that.

The CHAIRMAN. Rex Coin Machine?

Mr. CLANCY. I do not know anything about that.

The CHAIRMAN. Southern Coin Exchange?

Mr. CLANCY. No, sir; I do not know anything about that.

The CHAIRMAN. In Jefferson Parish, you have already talked about Phil Kastel. How about Harry Brooks, do you know him?

Mr. CLANCY. No, sir; I do not know.

The CHAIRMAN. Did not know him?

Mr. CLANCY. No.

The CHAIRMAN. Charles Gordon, do you know him?

Mr. CLANCY. No, sir.

The CHAIRMAN. Joe Lingel, Chicago Whitey?

Mr. CLANCY. Never knew him.

The CHAIRMAN. Roy Palapinta?

Mr. CLANCY. No, sir.

The CHAIRMAN. Do you know him?

Mr. CLANCY. No.

The CHAIRMAN. Anthony Mustachea?

Mr. CLANCY. No.

The CHAIRMAN. John Lawrence Treagle?

Mr. CLANCY. Treagle at one time operated the Plaza, and went broke there, and I think he operated the Dreamland and I think he has lost that. Where he is at now, I do not know.

The CHAIRMAN. Henry Muller, a fellow around that you know?

Mr. CLANCY. I do not know him.

The CHAIRMAN. Joseph Capro?

Mr. CLANCY. Joe Cappo, C-a-p-p-o, there is one.

The CHAIRMAN. That is what that must be, M. J. Pecorn?

Mr. CLANCY. No.

The CHAIRMAN. Rizutto?

Mr. CLANCY. No.

The CHAIRMAN. James Rizutto?

Mr. CLANCY. No.

The CHAIRMAN. Mel Ancon?

Mr. CLANCY. No.

The CHAIRMAN. Nick Crefasti?

Mr. CLANCY. No, sir.

The CHAIRMAN. Alex Cardoni?

Mr. CLANCY. No, sir.



The CHAIRMAN. Over here in the town of Gretna, do you know Sam Guarneiri?

Mr. CLANCY. There was a fellow, an electrician up there some years ago.

Mr. RICE. Kansas City Sam?

Mr. CLANCY. He was never known as that.

The CHAIRMAN. Vincent Vallone? Do you know him?

Mr. CLANCY. No, sir.

The CHAIRMAN. Or Joe Jerome and Pete Conforto; do you know them?

Mr. CLANCY. No, sir; I do not know them.

The CHAIRMAN. They operated Jerome's Gymnasium.

Mr. CLANCY. They may have, I do not know.

The CHAIRMAN. Joe Poretti?

Mr. CLANCY. The first time I saw him was at the hearing in New Orleans.

The CHAIRMAN. You do not know he got into the wire service?

Mr. CLANCY. I did not know that he was in the wire service.

The CHAIRMAN. Vito D. Longo?

Mr. CLANCY. He operates a place out on the airline now, a restaurant.

The CHAIRMAN. Joe Almerico?

Mr. CLANCY. No, sir; I do not know him.

The CHAIRMAN. Al Merlin or Joseph Laborde?

Mr. CLANCY. No.

The CHAIRMAN. Felix Valdes?

Mr. CLANCY. No, sir; I do not know.

The CHAIRMAN. Joseph Herbert?

Mr. CLANCY. No, sir.

The CHAIRMAN. Salvatore Marciante?

Mr. CLANCY. I think there is someone in Gretna by that name.

The CHAIRMAN. Nick Marcello, do you know him?

Mr. CLANCY. No.

The CHAIRMAN. Thomas Norton Johnson?

Mr. CLANCY. No, sir; I do not know him.

The CHAIRMAN. Are there any questions, Mr. Rice?

This fellow Carlos Marcello, he is a friend of Beauregard Miller, is he not?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. He is not a friend of yours?

Mr. CLANCY. We talk to each other.

The CHAIRMAN. What I mean, political supporter of yours, is he?

Mr. CLANCY. I think he supported me last time; the time before that he fought me bitterly.

The CHAIRMAN. Did he support Beauregard Miller in the last election?

Mr. CLANCY. Yes; when Beauregard ran against me he supported him.

The CHAIRMAN. Beauregard is first choice as between you and him?

Mr. CLANCY. Well, so they say. I could not say that, Senator.

Senator TOBEY. You have testified, sir, that you have had a change of heart and that you now propose to close up these places down in your jurisdiction; is that right?

Mr. CLANCY. That is correct, Senator.

Senator TOBEY. What is going to be the modus operandi; how are going to close them up, are you going to serve notice on them by a sheriff's writ, are you going to walk in and padlock the places, are you going to bring them in and arrest them under the law and enforce the law?

Mr. CLANCY. That is right.

Senator TOBEY. What are you going to do?

Mr. CLANCY. I am going to notify them, just as we did when we closed up the parish, give them until 6 o'clock to get closed up, otherwise go to jail. As soon as I get back home. They will be notified to close up in the towns or else go to jail.

Senator TOBEY. If they move into Gretna?

Mr. CLANCY. They will go to jail.

Senator TOBEY. In either case?

Mr. CLANCY. They go to jail if they are operating in Jefferson.

Senator TOBEY. You are going to put them out of business, no subterfuge or anything else?

Mr. CLANCY. What else?

Senator TOBEY. Come hell or high water you will put them out of business?

Mr. CLANCY. Definitely. You have my word for that.

Senator TOBEY. Barren as the Sahara?

Mr. CLANCY. Yes.

Senator TOBEY. Will you send us a post card when you have got it done?

Mr. CLANCY. Senator, you will see from the papers that it has been done.

Senator TOBEY. We will be looking for it.

Mr. CLANCY. You can rest assured, Senator, that it will be done.

Senator TOBEY. What will happen to you at the next election?

Mr. CLANCY. I believe I can win without them.

Senator TOBEY. I think you can, too.

Mr. CLANCY. In fact, I know I can win without them. I believe that I have done enough for Jefferson Parish in getting the laws through, you know, that would make the place a better place for you people.

Senator TOBEY. And if you come through clean on this thing and do an honest-to-God job and put them out of business——

Mr. CLANCY. I will do that.

Senator TOBEY. There will come into your soul, will there not, something of satisfaction that you have done your duty; is that right?

Mr. CLANCY. I think so.

Senator TOBEY. You have made a compact with this committee, have you not?

Mr. CLANCY. Sir?

Senator TOBEY. You have made a compact with this committee?

Mr. CLANCY. Yes, sir.

The CHAIRMAN. If there is nothing else, Sheriff, insofar as the committee is concerned, you have given answers to our questions, you have given us considerable information, and I have talked with Senator Tobey and we are going to recommend to the other members of the committee that contempt proceedings be dropped. I do not want you or anybody else to consider that as being proof of what you had down in Jefferson Parish. What you have done by way of conduct

of your office, we certainly think has been very lax and that there has been very little law enforcement, particularly insofar as gambling and bookmaking and slot machines are concerned, the latter two being matters that we are especially interested in because of their interstate character.

That has been a very bad and terrible situation down there. You have sanctioned it over a period of many, many years. It is encouraging to see your apparent determination to really close the place up, I mean these operations.

I join Senator Tobey in having the feeling that probably it will be some matter of satisfaction to you, and also in the long run if you stick by that determination the people are going to be very happy that it has been done because these things create nothing and take money away from the people who, many times, can least afford to pay.

As to the matter of what will happen to you as the result of the improper way you have allowed these things to go on over the period of years, with now your expressed determination to do something about it, is a matter with the people and the officials of Louisiana and Jefferson Parish.

Insofar as the contempt proceedings before this committee and the Senate, our recommendation, on the basis of the answers you have given, is that the citation not be presented to the Senate.

I want to say again that the picture that you have allowed to go on would have been a very sordid one and it will take very strong determination, really, to do something about it.

Mr. CLANCY. It can be done, Senator.

The CHAIRMAN. Are there any other comments?

Mr. CLANCY. I want to thank Senator Tobey for his remarks, because I think it will help me to make Jefferson a better place.

Senator TOBEY. Yes; you and I are getting older. Life is a very uncertain thing when that time comes when the bell rings and we have to move on.

Mr. CLANCY. That is right.

Senator TOBEY. It will be kind of a satisfaction in your life if you come through clean on this and cut these Gordian knots and say that, "I did my duty under the law." We commend you for it.

Mr. CLANCY. Thank you.

The CHAIRMAN. That is all. The committee will stand in recess.

(Whereupon, at 12:30 p. m., the committee adjourned, subject to the call of the chairman.)



# APPENDIX

## EXHIBIT No. 1

POLICE HEADQUARTERS,  
*January 3, 1951.*

From: Capt. Thomas M. Kelly, Commanding Vice Squad.  
To: Hon. Joseph L. Scheuring, Supt. of Police.  
Subject: Activities of the Vice Squad for the month of December 1950.

I would respectfully report that from December 1, 1950, up to and including December 31, 1950, the following arrests were effected by members of the Vice Squad as enumerated in the following categories:

Ordinance 16913—Handbooks-----	15
Ordinance 17884—Lottery-----	43
Ordinance 14477—Prostitution-----	14
Ordinance 17832—"B" Drinking-----	3
Ordinance 17593—Indecent Performance-----	7
Ordinance 13974—Loitering-----	5
Ordinance 1436—Suspicious Person-----	6
State Act 314—(1950) : Obscenity-----	7
Total-----	100

Hereto attached are names and municipal numbers of locations, the majority of which were known to house gambling activities in the past. These places were visited by the Vice Squad on the dates specified.

I would further report that the following arrests pertaining to Vice were effected by the various police precincts as reported to this office:

1st Pct. :		
Ordinance 17884—Lottery-----	3	
Ordinance 14477—Prostitution-----	7	
2nd Pct. : Ordinance 17884—Lottery-----	4	
3rd Pct. :		
Ordinance 14477—Prostitution-----	7	
Ordinance 16913—Handbooks-----	1	
4th Pct. : Ordinance 17884—Lottery-----	1	
5th Pct. :		
Ordinance 16913—Handbooks-----	2	
Ordinance 17884—Lottery-----	3	
6th Pct. :		
Ordinance 16913—Handbooks-----	1	
Ordinance 17884—Lottery-----	13	
7th Pct. : Ordinance 17884—Lottery-----	3	
8th Pct. :-----	0	
Total-----	45	

Respectfully,

THOMAS M. KELLY,  
*Captain, Commanding Vice Squad.*

## EXHIBIT No. 4

## UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

MAR. NO. 813 CR

To EDWARD M. "RED" ALLEN, *New Orleans, La., Greeting:*

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the Senate Committee To Investigate Organized Crime in Interstate Commerce of the Senate of the United States, on January 25, 1951, at 9:30 o'clock a. m., at their committee room 245, Main Post Office Building, New Orleans, Louisiana, then and there to testify what you may know relative to the subject matters under consideration by said Committee.

And bring with you all books, records, and supporting documents relating to your income and disbursements from January 1, 1944, to date; all records relating to assets and/or interest in property, either real, personal, or mixed; or interest in legal entities during the aforesaid period; and copies of Federal income-tax returns during the aforesaid period.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To U. S. Marshal, New Orleans, La., to serve and return.

Given under my hand, by order of the Committee, this 13th day of January, in the year of our Lord one thousand nine hundred and fifty-one.

ESTES KEFAUVER,

*Chairman, Senate Committee To Investigate Organized Crime in Interstate Commerce.*

[Endorsement]

JANUARY 19, 1951.

I made service of the within subpoena by handing same in person to the within-named Edward M. "Red" Allen, at 2628 Canal St., New Orleans, La., at 3:15 o'clock p. m., on the sixteenth day of January 1951.

LOUIS F. KNOP, Jr.,

*United States Marshal.*By JOSEPH BURGLASS, *Deputy.*

## EXHIBIT No. 6

## UNITED STATES OF AMERICA

CONGRESS OF THE UNITED STATES

MAR NO. 813 CR

To: CARLOS MARCELLO, 320 Roman Street, Gretna, La., Greeting:

Pursuant to lawful authority, YOU ARE HEREBY COMMANDED to appear before the Senate Committee To Investigate Organized Crime in Interstate Commerce of the Senate of the United States, on January 25, 1951, at 9:30 o'clock a. m., at their committee room 245, Main Post Office Building, New Orleans, La., then and there to testify what you may know relative to the subject matters under consideration by said Committee.

And bring with you all books, records, and supporting documents relating to your income and disbursements from January 1, 1944, to date; all records relating to assets and/or interest in property, either real, personal, or mixed; or interest in legal entities during the aforesaid period; and copies of Federal income-tax returns during the aforesaid period.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To U. S. Marshal, New Orleans, La., New Orleans, La., to serve and return.

Given under my hand, by order of the Committee, this 13th day of January, in the year of our Lord one thousand nine hundred and fifty-one.

ESTES KEFAUVER,

*Chairman, Senate Committee To Investigate Organized Crime in Interstate Commerce.*

JANUARY 19, 1951.

I made service of the within subpoena by handing same in person to the within-named Carlos Marcello, at 335 Huey P. Long Avenue, Gretna, La., at 10:15 o'clock a. m., on the sixteenth day of January, 1951.

LOUIS F. KNOP, Jr.,  
*United States Marshal.*  
 By JOSEPH BURGLASS,  
*Deputy.*

EXHIBIT No. 7

CITIZENSHIP STATUS--CRIMINAL RECORD AND BRIEF CURRICULUM VITAE

Born Tunis, Africa, February 6, 1910, of Sicilian parents; entered United States, October 7, 1910, steamship *Liguria*, under name of CALOREO MINICARI, 8 months old at time; while in recent testimony he said he was 2 years old when he entered United States; at time of arrival accompanied by LUIGA FARAGLIA, destined to Father GIUSEPPE MINACARI, Jr., New Orleans, La.; married September 6, 1936, at Gretna, La., to JACIMI TEDARO; born Algiers, La.; daughter, Louise, born New Orleans, July 13, 1937.

*Police record*

	Date	Charge	Disposition
P. D. No. 13471.....	Nov. 29, 1929	Accessory before and after fact. Assault and robbery, Canal Bank, Algiers, La.	Dec. 3, 1929: Dismissed.
S. P. B-R-19754.....	May 28, 1930	(LA-1930, robbery) ..... (Assault and robbery).....	9 to 14 years. Sept. 12, 1934: Paroled July 25, 1935. Pardoned (Gov. Allen). Dismissed: May 2, 1935.
Fed. Jail No. 3032.....	Feb. 17, 1935	Violation internal revenue law.	
Narc. Bur. P. D., Wash-19039 N. O., La.	Mar. 26, 1938	Violation Marijuana Tax Act.	Oct. 29, 1938: 1 year 1 day.
U. S. M., N. O., La., 167.....	Mar. 28, 1938	Selling marijuana.....	Nov. 4, 1938: Committed to U. S. P. Atlanta, 1 year and 1 day.
Fed. Jail, N. O., La. #5856.....	.....do.....	Transporting marijuana, W/O tax paid.	Oct. 29, 1938: 1 year and 1 day; Nov. 4, 1938, c/o U. S. Marshal. Bond: \$3,000.
Narc. Bur. 19039, D. C.....	June 8, 1930	Marijuana Tax Act of 1938.	
U. S. M. 277.....	Oct. 31, 1938	Sale of marijuana.....	
U. S. P., Atlanta #54650 (this entry probably is in error—undoubtedly refers to marijuana conviction Nov. 4, 1938, upon completion of which he was released from Atlanta Aug. 18, 1939).	Nov. 4, 1938	Pass and sale untaxed liquor.	1 year 1 day: Cond., release Aug. 18, 1939.
U. S. M., N. O.—La. 207.....	Mar. 17, 1944	B. P. A. violation.....	(?).

Since release from Atlanta Penitentiary, has been arrested four times, once on a concealed-weapon charge, and another time on a B. P. A. violation. Many of his "brushes" with the law never appear to get into Court because of mortal fear of witnesses to testify.

A case in point, still under investigation, occurred on June 14, 1950, when he and several of his strong-arm men severely beat about the head with a pistol, Joe Almerico, alias Merlin Jos. Laborde. This assault occurred at Almerico's El Rico Club, at 1320 Canal Street, in the heart of New Orleans. The assault is said to have arisen from a dispute over a \$17,000 debt owed to Marcello by Almerico. To date, Police, although strenuously pursuing investigation cannot get Almerico or anyone else to "talk."

During Marcello's long residence in United States, he admits only one departure therefrom in 1936-37 to Mexico, from which trip he reentered without inspection, in violation of law but not sufficient for deportation. However, as a result, and under present circumstances, he cannot be naturalized or receive a Border Crossing card. Says he has made no other trips outside United States to Cuba or Mexico, etc., during his 40 years residence in United States.

The Immigration and Naturalization Service ruled on December 31, 1938, that none of his offenses, including the year-and-a-day sentence to Atlanta on a marijuana charge, subject him to deportation, since they did not include a crime involving moral turpitude.

On July 16, 1935, he was granted a full pardon by Gov. O. K. Allen of Louisiana, after serving about 5 years of a 9 to 14 years sentence for assault and robbery.

On January 17, 1949, his petition to the President of the United States for a full pardon and restoration of civil rights, which he lost as a result of the marijuana conviction in 1938, was unfavorably acted upon.

His niece, Maria Dainotta, entered United States as a transit on February 26, 1947, from Italy, and on May 23, 1950, was admitted to citizenship after marrying Anthony, son of Sylvestro Carollo, on April 23, 1947. Carollo was deported to Italy in 1947, but is believed to be in Mexico, where Marcello sends him funds. Marcello arranged for his niece's visa, and she lived with him in New Orleans until her marriage. Anthony Carollo is said to have made several trips to Mexico to see his deported father.

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EXHIBIT No. 8

NEW YORK, N. Y., *January 9, 1951.*

Ymy re congressional subpoena. We have no record of any leased ckts. being furnished by W. U. from Jan. 1, 1949, to date to the persons, partnerships, or corporations listed except Daily Sports News. Copies of the bills rendered by this ofc covering the SA tkr and unequipped ckts, leased to the Daily Sports News are being air-mailed to you today. The applications for the leased ckts. of the Daily Sports News are signed by J. E. Fogarty and in some cases J. J. Fogarty. Pls. return bills after they have served their purpose. If you have not already done so, pls. check with Mr. Swensen if he has records covering ckts. that may have been billed locally. Original Jackson, copy Swensen.

MANNING.

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EXHIBIT No. 9

NEW YORK, *December 1, 1950.*

VP 128

DAILY SPORTS NEWS,  
424 Camp Street, New Orleans, La.

CASHIER, MAIN AND PEARL STS., DALLAS, TEXAS

*Private wire service rental, December 1950*

Alexandria, La.....	\$10. 00	
Period 11-11-50 to 11-30-50.....		
Billed from Eunice, La., 55 mi., \$.7325.		
Change from Opelousas, La., 57 mi. @ \$.7325.		
Debit: Difference or 2 mi. @ \$.7325.....	1. 47	
Period 12-1-50 to 12-31-50: From Opelousas, La.,		
57 mi. @ \$1.0988.....	62. 63	
Charles Damico, 1115 Second St.....	18. 00	
		\$92. 10
Baton Rouge, La.....	10. 00	
From Plaquemine, La., 13 mi. @ \$1.0988.....	14. 28	
Franks, Lobdell, La.....	18. 00	
		42. 28
Bay St. Louis, Miss.....	10. 00	
From New Orleans, La., 53 mi. @ \$1.0988.....	58. 24	
True & French, Henderson Point, Miss.....	18. 00	
John Ellis, Henderson, Point, Miss.....	18. 00	
		104. 24
Biloxi, Miss.....	10. 00	
From Gulfport, Miss., 14 mi. @ \$1.0988.....	15. 38	
Plaza Club, Highway 90.....	18. 00	
H. Bennett, Bob Thompson's West Beach.....	18. 00	
		61. 38



*Private wire service rental, December 1950—Continued*

Delta Point, La.....	\$10.00	
From Natchez, Miss., 65 mi. @ \$.0988.....	71.42	
M. Morrissey, no address.....	18.00	
		\$99.42
Eunice, La. (Period 11-11-50 to 11-30-50).....	6.67	CR
Period 11-11-50 to 11-30-50.		
From Opelousas, La., 20 mi. @ \$.7325.....	14.65	CR
Howard Lay, Powell's Lounge, Hwy. 90.....	12.00	CR
		33.32 CR
Gulfport, Miss.....	10.00	
From Pass Christian, Miss., 9 mi. @ \$1.0988.....	9.89	
J. Fairfield, Paradise Point.....	18.00	
J. Uchello, Room 1, Grove Club.....	18.00	
Ralph Duncan, Mississippi City, Miss.....	18.00	
C. E. Anderson, Beach Club, Edgewater Park.....	18.00	
		91.89
Hammond, La.....	10.00	
From Laplace, La., 29 mi. @ \$1.0988.....	31.87	
Vincent Stassi, 122 East R. R. Ave.....	18.00	
K. Lebeau, 204 W. Thomas St.....	18.00	
Second Station, 204 W. Thomas St.....	18.00	
		95.87
Harvey, La.....	10.00	
From New Orleans, La., 6 mi. @ \$1.0988.....	6.59	
P. Bertucci, 2800 Fourth St.....	18.00	
		34.59
Hattiesburg, Miss.....	10.00	
From Gulfport, Miss., 67 mi. @ \$1.0988.....	73.62	
E. J. White, 118½ Market Place.....	18.00	
		101.62
Kenner, La.....	10.00	
From Westwego, La., 7 mi. @ \$1.0988.....	7.69	
Melansons, Jefferson Hwy. and Williams St.....	18.00	
		35.69
Lafayette, La.....	10.00	
From New Iberia, La., 20 mi. @ \$1.0988.....	21.98	
J. Walters, Highway 90.....	18.00	
J. Thibodeaux, Landrys Club.....	18.00	
		67.98
Lake Charles, La.....	10.00	
Period 11-11-50 to 11-30-50.		
Billed: From Eunice, La., 52 mi. @ \$.7325.		
Change: From Opelousas, La., 72 mi. @ \$.7325.		
Debit: Difference or 20 mi. @ \$.7325.....	14.65	
Period 12-1-50 to 12-31-50: From Opelousas, La.,		
72 mi. @ \$1.0988.....	79.11	
Felix Monjura, Green Frog.....	18.00	
John Neal, Twin Gables.....	18.00	
		139.76
Leplace, La.....	10.00	
From Norco, La., 7 Mi. @ \$1.0988.....	7.69	
L. E. Charlton, Vic's Place, Hwy. 90.....	18.00	
		35.69
McComb, Miss.....	10.00	
From Hammond, La., 54 mi. @ \$1.0988.....	59.34	
C. Klotz, 1316 Venerable St.....	18.00	
		87.34
Mobile, Ala. (period 11-29-50 to 11-30-50).....	Terminal	
Period 11-29-50 to 11-30-50:		
From Biloxi, Miss., 54 Mi. @ \$.0733.....	3.96	CR
C. Barrett, 68½ Dauphin St.....	1.20	CR
J. R. Connolly, 354 So. Conception St. (Period		
11-13-50 to 11-30-50).....	9.00	CR
		14.16 CR
Monroe, La.....	10.00	
From Delta Point, La., 73 mi. @ \$1.0988.....	80.21	
Joe Sutton, 231 So. Grand St.....	18.00	
		108.21

*Private wire service rental, December 1950—Continued*

Morgan City, La. (Period 11-29-50 to 11-30-50)-----	\$0.67	CR	
Period 11-29-50 to 11-30-50: From Thibodeaux, La., 24 mi. @ \$.9733-----	1.76	CR	
P. Guarisco, Highway 90 & 7th St-----	1.20	CR	
			\$3.63 CR
Natchez, Miss-----	10.00		
From M'Comb, Miss., 59 mi. @ \$1.0988-----	64.83		
P. Kaiser, 409½ Main St-----	18.00		
J. Clay White, 406 Main St-----	18.00		
			110.83
New Iberia, La-----	10.00		
From Plaquemine, La., 40 mi. @ \$1.0988-----	43.95		
Teddy Sliman, 129 E. Main St-----	18.00		
H. Lourd, The Casino, Main St-----	18.00		
			89.95
New Orleans, La-----	Terminal		
Transmitter, 117 Huey P. Long Ave., Gretna-----	46.00		
Spare Transmitter, 117 Huey P. Long Ave-----	20.00		
Daily Sports News, 424 Camp St-----	18.00		
Gulf Stream Printers, 540 Royal St-----	18.00		
Club Forest, 407 Jefferson Highway-----	18.00		
L. Luke, 1300 Monticello Ave-----	18.00		
L. Comiskey, 118 Friscoville-----	18.00		
H. Booth, 6749 N. Peters St., Arabi, La-----	18.00		
J. Peccaro, 1046 Jefferson Highway-----	18.00		
Second Station, Huey P. Long Ave., Gretna-----	18.00		
Duffy, 4808 Jefferson Highway-----	18.00		
Joseph Grecco, 4216 Jefferson Highway-----	18.00		
Plaza Club, Airline Highway, Jefferson Parish-----	18.00		
Edward Doty, Jefferson Highway, Jefferson Parish-----	18.00		
Sam Danna, 4679 Peters St., Arabi-----	18.00		
N. Perez, 9701 Palm St-----	18.00		
B. Baganarias, 106 Friscoville Ave., Arabi-----	18.00		
A. MacDougall, 138 Friscoville Ave., Arabi-----	18.00		
R. Papania, 550 Nehle St., Arabi, La-----	18.00		
N. Buisson, 1604 Angela St., Arabi-----	18.00		
Lawrence Luke, 1101 Jefferson Hwy, Jefferson Par- ish, La. (Period 11-17-50 to 12-31-50)-----	26.40		
Installation-----	15.00		
E. Bremer, 2925 Jefferson Hwy, Jefferson Parish, La., (Period 11-2-50 to 11-30-50)-----	17.40	CR	
Steve Valenti, 3001 Jefferson Hwy., Jefferson Par- ish, La., (Period 11-18-50 to 11-30-50)-----	7.80	CR	
			406.20
Norco, La-----	10.00		
From Kenner, La., 10 mi. @ \$1.0988-----	10.99		
Harry Jack, River Road-----	18.00		
			38.99
Opelousas, La-----	10.00		
From Lafayette, La., 22 mi. @ \$1.0988-----	24.17		
S. Gilbeau, 121 E. Landry St-----	18.00		
			52.17
Pass Christian, Miss-----	10.00		
From Bay St. Louis, Miss., 8 mi. @ \$1.0988-----	8.79		
Transmitter, 241 Davis Ave-----	46.00		
M. R. Jackson, Davis Ave., & 22nd St-----	18.00		
Vic Austin, 2nd & Market Sts. (Period 11-3-50 to 11-30-50)-----	16.80	CR	
			65.99
Plaquemine, La-----	10.00		
From Thibodeau, La., 41 mi. @ \$1.0988-----	45.05		
G. G. Wilson, Ritz Cafe, Main St-----	18.00		
			73.05

*Private wire service rental, December 1950—Continued*

Shreveport, La.....	\$10. 00	
From Mouroe, La., 97 mi. @ \$1.0988.....	106. 58	
Edward Disharoom, Ofc. 1, Ricou Brewster Bldg.....	18. 00	
		\$134. 58
Thibodeaux, La.....	10. 00	
From Laplace, La., 30 mi. @ \$1.0988.....	32. 96	
S. Biello, 401 Jackson St.....	18. 00	
G. Glorioso, Jackson & Main Sts.....	18. 00	
Vinton, La.:		78. 96
Period 11-29-50 to 11-30-50.....	.67	CR
Period 12-1-50 to 12-31-50.....	Terminal	
From Lake Charles, La., 23 mi. @ \$1.0988.....	25. 27	
Sam Smith, Groves, near State Line.....	18. 00	
DeMary Club, near State Line.....	18. 00	
		60. 60
West Wego, La.....	10. 00	
From Harvey, La., 5 mi. @ \$1.0988.....	5. 49	
Sam Smith, Groves, near State Line.....	18. 00	
Additional Charge for High Speed:		33. 49
58 Stations @ \$2.50.....	145. 00	
1 Station @ \$3.66.....	3. 66	
1 Station @ \$2.42 CR.....	2. 42	CR
1 Station @ \$2.34 CR.....	2. 34	CR
1 Station @ \$1.66 CR.....	1. 66	CR
1 Station @ \$1.24 CR.....	1. 24	CR
1 Station @ \$1.08 CR.....	1. 08	CR
2 Stations @ \$0.16 CR.....	.32	CR
		139. 60
Lost Time Credits: 10/19/50—Glorioso, Thibodeaux—		
4 hrs.....	.20	CR      .20 CR
		2, 431. 16
Tape:		
58 Subscribers @ \$1.25.....	72. 50	
1 Subscriber @ \$1.83.....	1. 83	
1 Subscriber @ \$1.21 CR.....	1. 21	CR
1 Subscriber @ \$1.17 CR.....	1. 17	CR
1 Subscriber @ \$0.83 CR.....	.83	CR
1 Subscriber @ \$0.62 CR.....	.62	CR
1 Subscriber @ \$0.54 CR.....	.54	CR
2 Subscribers @ \$0.08 CR.....	.16	CR
		69. 80
		2, 500. 96

NEW YORK, December 1, 1950.

VP 129

DAILY SPORTS NEWS.

424 Camp Street, New Orleans, La.

CASHIER, MAIN & PEARL STREETS, DALLAS, TEXAS

*Private wire service rental, December 1950*

New Orleans, La.:	
SSS Restaurant, Airline Highway.....	\$21. 00
1378 Airline Highway.....	21. 00
2815 Airline Highway.....	21. 00
3375 Airline Highway.....	21. 00
3383 Airline Highway.....	25. 00
2730 Airline Highway.....	25. 00
2734 Airline Highway.....	25. 00
3600 Airline Highway (9-1-50 to 12-31-50).....	100. 00
3623 Airline Highway (9-28-50 to 12-31-50).....	77. 50
3901 Airline Highway.....	23. 00
507 Balter Bldg.....	5. 00
517 Beinville St.....	5. 00

*Private wire service rental, December 1950—Continued*

## New Orleans, La.—Continued

644 Camp St. (9-6-50 to 12-31-50).....	\$19.17	
435 Carondelet St.....	5.00	
303 Deckbar Ave. (9-18-50 to 12-31-50).....	99.57	
126 Exchange Alley.....	5.00	
130 Exchange Alley.....	5.00	
718 Front St. (Gretna).....	10.00	
1648 Gentilly St.....	13.00	
811 Harlem Ave.....	29.00	
113 Huey P. Long Ave.....	11.00	
117 Huey P. Long Ave.....	11.00	
119 Huey P. Long Ave.....	11.00	
221 Huey P. Long Ave.....	11.00	
117 Huey P. Long Ave.....	11.00	
620 Iberville St.....	5.00	
738 Iberville St.....	5.00	
739 Iberville St.....	5.00	
407 Jefferson Highway.....	21.00	
970 Jefferson Highway.....	23.00	
1048 Jefferson Highway.....	23.00	
1300 Jefferson Highway.....	24.00	
1300 Jefferson Highway (2d Station) (9-29-50 to 12-31-50).....	73.62	
1400 Jefferson Highway.....	24.00	
1513 Jefferson Highway.....	25.00	
1617 Jefferson Highway.....	25.00	
4103 Jefferson Highway (9-1-50 to 11-30-50).....	93.00	CR:
4101 Jefferson Highway.....	31.00	
4205 Jefferson Highway.....	31.00	
4325 Jefferson Highway.....	31.00	
601 Metairie Road.....	15.00	
937 Metairie Road.....	14.00	
2033 Metairie Road.....	24.00	
1100 Monticello Ave. (9-23-50 to 12-31-50).....	68.00	
1300 Monticello Ave.....	21.00	
136 Newton (Gretna).....	12.00	
619 Pink St.....	15.00	
120 Royal St. (9-16-50 to 12-31-50).....	17.50	
309 St. Charles St.....	5.00	
631 St. Charles St.....	5.00	
1039 Severn Street.....	31.00	
1220 Severn St. (9-13-50 to 9-26-50).....	14.47	CR:
1220 Severn St.....	31.00	
835 S. Front St.....	6.00	
501 S. Rampart St.....	6.00	
3019 Fortin St.....	13.00	
123 University Place.....	5.00	
100 Jefferson Highway.....	21.00	
3000 Metairie Road.....	25.00	

1,183.89

NEW YORK, December 7, 1950.

VP 130

DAILY SPORTS NEWS,

424 Camp St., New Orleans, La.

CASHIER, MAIN &amp; PEARL STS., DALLAS, TEXAS

*Private wire service rental, December 1950*Inter City Unequipped Circuit—New Orleans, La., to Pass  
Christian, Miss.:

60 mi. @ \$3.00.....	\$180.00
2 loops @ \$3.00.....	6.00

186.00

EXHIBIT No. 10

NEW YORK, January 3, 1949.

VP 249

DAILY SPORTS NEWS,

424 Camp Street, New Orleans, La.

CASHIER, MAIN & PEARL ST., DALLAS, TEXAS

Private wire service rental, January 1949

New Orleans La.:

325 Restaurant, Airline Highway	-----	\$21.00	
2815 Airline Highway	-----	21.00	
3300 Airline Highway	-----	21.00	
2901 Airline Highway	-----	23.00	
3340 Andover St	-----	31.00	
507 Balter Bldg	-----	5.00	
435 Carondelet St	-----	5.00	
126 Exchange Alley (9-10-48 to 1-31-49)	-----	23.50	
718 Front St. (Gretna)	-----	10.00	
508 Fulton St	-----	5.00	
1648 Gentilly St	-----	13.00	
827 Harlem Ave	-----	31.00	
2319 Harlem Ave. (9-11-48 to 1-31-49)	-----	135.34	
113 Huey P. Long Ave	-----	11.00	
119 Huey P. Long Ave. (Gretna)	-----	11.00	
221 Huey P. Long Ave. (Gretna)	-----	11.00	
117 Huey P. Long Ave. (Gretna)	-----	11.00	
738 Iberville St. (10-22-48 to 1-31-49)	-----	16.62	
407 Jefferson Highway	-----	21.00	
970 Jefferson Highway	-----	23.00	
1300 Jefferson Highway	-----	24.00	
1400 Jefferson Highway	-----	24.00	
1513 Jefferson Highway	-----	25.00	
1617 Jefferson Highway	-----	25.00	
4100 Jefferson Highway	-----	31.00	
4101 Jefferson Highway	-----	33.00	
601 Metairie Rd	-----	15.00	
937 Metairie Rd	-----	14.00	
2027 Metairie Road (9-24-48 to 12-31-48)	-----	77.89	CR
2037 Metairie Road	-----	34.00	
3000 Metairie Road (10-13-48 to 1-31-49)	-----	90.33	
3206 Metairie Road	-----	25.00	
136 Newton (Gretna)	-----	12.00	
619 Pink St	-----	15.00	
1039 Severn St	-----	31.00	
1220 Severn St	-----	31.00	
1306 Severn St	-----	23.00	
835 S. Front St	-----	6.00	
501 S. Rampart St. (9-20-48 to 1-31-49)	-----	26.21	
3019 Fortin St	-----	13.00	
123 University Place (10-12-48) to 1-31-49)	-----	18.23	

\$567.64

NEW YORK, January 3, 1949.

VP 248

DAILY SPORTS NEWS,

424 Camp St., New Orleans, La.

CASHIER, MAIN & PEARL STS., DALLAS, TEXAS

Private wire service, January 1949

Abbeville, La	-----	\$10.00
From New Iberia, La., 19 mi. @ \$1.0988	-----	20.88
L. B. Theall, Audrey Hotel Annex	-----	18.00

\$48.88

*Private wire service, January 1949—Continued*

Alexandria, La.....	\$10.00	
From Opelousas, La., 57 mi. @ \$1.0988.....	62.63	
Charles Damico, 601 Monroe St.....	18.00	
		\$90.63
Baton Rouge, La.....	10.00	
From Hope Villa, La., 14 mi. @ \$1.0988.....	15.38	
Tom Hammie, 2017 Kleinert St.....	18.00	
John Dackmack, 236 Third St.....	18.00	
I. A. Blouin, 2500 North Blvd.....	18.00	
Franks, Lobdell, La.....	18.00	
		97.38
Bay St. Louis, Miss.....	10.00	
Period 1-1-49 to 1-10-49: From St. Bernard, La., 46 mi. @ \$0.3545.....	16.31	
Period 1-11-49 to 1-31-49: From New Orleans, La., 53 mi. @ \$0.7443.....	39.45	
J. Horlock, Martins Place.....	18.00	
True & French, Hendersons Points, Miss.....	18.00	
		101.76
Biloxi, Miss.....	10.00	
From Mississippi City, Miss., 10 mi. @ \$1.0988.....	10.99	
Plaza Club, Highway 90.....	18.00	
		38.99
Bossier City, La. (Period 12-21 to 12-31-48).....	3.55	CR
Period 12-21-48 to 12-31-48: From Monroe, La., 94 mi. @ \$0.3899.....	36.65	CR
Zorro Club, no address.....	6.39	CR
		46.59 CR
Chatawa, Miss.....	10.00	
From Hammond, La., 39 mi. @ \$1.0988.....	42.85	
C. L. Kletz, The Round House.....	18.00	
		70.85
Delta Point, La.....	10.00	
From Natchez, Miss., 65 mi. @ \$1.0988.....	71.42	
G. G. Abernathy, no address.....	18.00	
		99.42
Gulfport, Miss.....	10.00	
From Pass Christian, Miss., 9 mi. @ \$1.0988.....	9.89	
J. Fairfield, Paradise Point.....	18.00	
J. Uchello, Room 1, Grove Club.....	18.00	
		55.89
Hammond, La.....	10.00	
From Norco, La., 33 mi. @ \$1.0988.....	36.26	
K. LaBeau, 204 W. Thomas St.....	18.00	
V. Stassi, 122 E. Railroad Ave.....	18.00	
		82.26
Harvey, La.....	10.00	
From New Orleans, La., 6 mi. @ \$1.0988.....	6.59	
J. Chimanto, 2828 Fourth St.....	18.00	
P. Bertucci, 2800 Fourth St.....	18.00	
		52.59
Hattiesburg, Miss.....	10.00	
From Gulfport, Miss., 67 mi. @ \$1.0988.....	73.62	
F. J. White, 118½ Market Place.....	18.00	
		101.62
Hope Villa, La.....	10.00	
From Hammond, La., 36 mi. @ \$1.0988.....	39.56	
The Tavern, no address.....	18.00	
		67.56
Lafayette, La.....	10.00	
From Abbeville, La., 19 mi. @ \$1.0988.....	20.88	
Antler Club, 534½ Jefferson St.....	18.00	
L. Thibodeaux, 555 Jefferson St.....	18.00	
J. Walters, Breaux Bridge Highway.....	18.00	
		84.88

*Private wire service, January 1949—Continued*

Lake Charles, La.....	\$10. 00	
From Abbeville, La., 68 mi. @ \$1.0988.....	74. 72	
John Neal, Twin Gables.....	18. 00	
Thomas Campbell, 908 Ryan St.....	18. 00	
		\$120. 72
Mississippi City, Miss.....	10. 00	
From Gulfport, Miss., 4 mi. @ \$1.0988.....	4. 40	
Ralph Duncan, Paradise Point.....	18. 00	
		32. 40
Mobile, Ala.....	Terminal	
From Biloxi, Miss., 54 mi. @ \$1.0988.....	59. 34	
J. R. Connolly, 354 S. Conception St.....	18. 00	
C. Barrett, 6S½ Douphin St.....	18. 00	
		95. 34
Monroe, La.....	10. 00	
From Delta Point, La., 73 mi. @ \$1.0988.....	80. 21	
Joe Sutton, 110 So. Grand St.....	18. 00	
		108. 21
Natchez, Miss.....	10. 00	
From Chatawa, Miss., 64 mi. @ \$1.0988.....	70. 32	
Wm. Hall, 408 Main St.....	18. 00	
Powell Kaiser, 409½ Main St.....	18. 00	
		116. 32
New Iberia, La.....	10. 00	
From Plaquemine, La., 40 mi. @ \$1.0988.....	43. 95	
Teddy Sliman, 129 E. Main St.....	18. 00	
Chas. Moore, 102 W. Main St.....	18. 00	
		89. 95
New Orleans, La.....	Terminal	
Daily Sports News, 424 Camp St.....	18. 00	
Gulf Stream Printers, 540 Royal St.....	18. 00	
A. Tepani, Old Southport.....	18. 00	
Club Forest, 407 Jefferson Highway.....	18. 00	
L. Luke, 1300 Monticello Ave.....	18. 00	
L. Comiskey, 118 Friscoville.....	18. 00	
M. Vernaci, 2215 Jefferson Highway.....	18. 00	
B. Bagnarias, 106 Friscoville, Arabi.....	18. 00	
The Arabi Club, Arabi, La.....	18. 00	
H. Booth, 6749 N. Peters St., Arabi, La.....	18. 00	
J. Pecoraro, 1046 Jefferson Highway.....	18. 00	
J. Laguttuta, 7301 St. Claude Ave., Arabi.....	18. 00	
Horace Perez, 9701 Palm St.....	18. 00	
Transmitter, 117 Huey P. Long Ave., Gretna.....	41. 00	
Spare Transmitter, 117 Huey P. Long Ave.....	18. 00	
Second Station, Huey P. Long Ave., Gretna.....	18. 00	
Joseph Cuccia, 1101 Jefferson Highway.....	18. 00	
Duffy, 4808 Jefferson Highway.....	18. 00	
E. Bremer, 2925 Jefferson Highway.....	18. 00	
Joseph Grecco, 4216 Jefferson Highway.....	18. 00	
L. LaBoeuf, 203 Monroe St., Gretna, La.....	18. 00	
A. J. O'Keefe, 738 Monroe St., Gretna, La.....	18. 00	
L. Giefers, 900-7th Ave., Gretna (12-24 to 12-31).....	4. 65	CR
A. Gagliano, 1025 Jefferson Highway, Jefferson Parish, La.....	18. 00	
J. Tortorich, 900-7th Ave., Gretna, La.....	18. 00	
M. Pisciotta, 102 Friscoville Ave.....	18. 00	
H. Legandre, 3001 Jefferson Highway.....	18. 00	
		486. 35
Norco, La.....	10. 00	
From West Wego, La., 20 mi. @ \$1.0988.....	21. 98	
Harry Jack, River Road.....	18. 00	
		49. 98
Opelousas, La.....	10. 00	
From Lafayette, La., 22 mi. @ \$1.0988.....	24. 17	
S. Gilbeau, 121 E. Landry St.....	18. 00	
		52. 17

*Private wire service, January 1949—Continued*

Pass Christian, Miss-----	\$10.00	
From Bay St. Louis, Miss., 8 mi. @ \$1.0988----	8.79	
V. Austin, Davis Ave. & 2nd St-----	18.00	
Transmitter, 241 Davis Ave-----	41.00	
		\$77.79
Plaquemine, La-----	10.00	
From Baton Rouge, La., 13 mi. @ \$1.0988----	14.28	
G. G. Wilson, Ritz Cafe, Main St-----	18.00	
		42.28
St. Bernard, La. (Period 1-1-49 to 1-10-49)-----	3.23	
Period 1-1-49 to 1-10-49: From Harvey, La., 16		
mi. @ \$.3545-----	5.67	
C. Buisson, 1604 Angela St-----	5.81	
		14.71
Thibodeaux, La-----	10.00	
From Norco, La., 33 mi. @ \$1.0988----	36.26	
S. Biello, 401 Jackson St-----	18.00	
S. Glorioso, Jackson & Main Sts-----	18.00	
J. Vinet, Jr., 400 Jackson St-----	18.00	
		100.26
Vinton, La-----	10.00	
From Lake Charles, La., 23 mi. @ \$1.0988----	25.27	
Sam Smith Groves, near State Line-----	18.00	
De Marcy Club, near State Line-----	18.00	
		71.27
West Wego, La-----	10.00	
From Harvey, La., 5 mi. @ \$1.0988----	5.49	
Wego Inn, no address-----	18.00	
J. Assenberg, 478 Sela Ave-----	18.00	
		51.49
Tape:		
70 Subscribers @ \$1.25-----	87.50	
1 Subscriber @ \$0.40-----	.40	
1 Subscriber @ \$0.44 CR-----	.44 CR	
1 Subscriber @ \$0.32 CR-----	.32 CR	
		87.14
		2,542.50

NEW YORK, January 3, 1949.

VP 250

DAILY SPORTS NEWS,  
424 Camp St., New Orleans, La.

CASHIER, MAIN &amp; PEARL STS., DALLAS, TEXAS

*Private wire service rental, January 1949*

Inter City Unequipped Circuit—News Orleans, La., to Pass Christian, Miss.:		
60 mi. @ \$3.00-----		\$180.00
2 loops @ \$3.00-----		6.00
		186.00

(In ink): This ckt. connects 507 Balter Bldg., New Orleans, La., with 241 Davis Ave., Pass Christian, Miss.

EXHIBIT No. 11

NEW YORK, N. Y., January 19, 1951.

YMD although copies of bills no longer available our records show we did lease an SA TKR to the Southern News Service and Publishing Co. from August 12, 1946, to January 6, 1947, inclusive, serving following drops: John Dackmack, 236 Third Street, Baton Rouge, La., from August 12, 1946, to November 29, 1946; Southern News Service & Publishing Co. from December 21, 1946, to January



6, 1947. Transmitter located at 204 Liberty Building, New Orleans, La., from August 12, 1946, to October 16, 1946. Moved to 480 Destrehan Street, Harvey, La., on October 17, 1946, moved to 117 Huey P. Long Avenue, Gretna, La., on December 15, 1946. Discontinued from latter address January 6, 1947.  
Orgl. Jackson, Copy, Swensen.

MANNING.

## EXHIBIT No. 17

NEW ORLEANS, LA., *January 26, 1951.*

Senator ESTES KEFAUVER,  
*Post Office Building, New Orleans, La.*

DEAR SIR: The first decision of the Louisiana Supreme Court in the padlock suits in which I was attorney for petitioners is reported under the following citation: *Tanner et al. v. Beverly Country Club, Inc., et al.; Ellzey et al. v. Original Club Forest, Inc., et al.* (214 La. 791, 38 So. (2) 783).

In the above decision the State Supreme Court held Act 192 of 1920 constitutional. This decision was rendered November 8, 1948.

The second appeal presenting the same point of law in the same case is reported under the following citation: *Tanner et al. v. Beverly Country Club, Inc., et al.; Ellzey et al. v. Original Club Forest, Inc., et al.* (217 La. 1043, 48 So. (2) 905).

In this second decision the Supreme Court reversed its previous unanimous opinion and by a four to three decision held Act 192 of 1920 unconstitutional.

A detailed chronology on each one of these cases is in the file that I previously have given Mr. Rice.

I am attaching hereto copies of the petitions in each suit. Each one of the petitioners are possible witnesses to the fact that there was gambling in the respective clubs during 1947 and 1948. Reverend Dana Dawson, 232 Elmeer Place, Jefferson Parish, and I were also witnesses to the gambling at these two clubs. I have not visited either one of these clubs since November 1950.

The addresses of the petitioner-witnesses are in the files given Mr. Rice. Reverend Norman A. Maunz, 11 Beverly Gardens, should make an excellent witness. The petitioners can be contacted by telephone. They live in Jefferson Parish.

Very truly yours,

JAMES I. McCAIN.

TWENTY-FOURTH JUDICIAL DISTRICT COURT FOR THE PARISH OF JEFFERSON, STATE  
OF LOUISIANA

NUMBER: 19,985. DIVISION "B." DOCKET —

*D. I. Tanner v. Beverly Country Club, Inc., et al.*

Filed: July 5th, 1947.

(Signed) M. J. PITRE, *Deputy Clerk.*

*To the Honorable the Judges of the Twenty-fourth Judicial District Court  
for the Parish of Jefferson, State of Louisiana:*

The petition of:

D. I. Tanner	Norman A. Maunz	A. P. Ellzey
I. L. Bridges	James B. Gwin	D. B. Fortinberry
Paul H. Alverson	Irving A. Ton	Robert L. Gray
R. G. Crawford	Jett C. Arthur, Jr.	Mrs. John D. Palmer
Herman S. Ritter	Lewis C. Proctor	T. J. Lewis
David Meaux	James Robert	T. O. Winn
W. N. Ellis	Belford F. Summers	

each of full age of majority, and domiciled in and a resident of and citizens of the state of Louisiana, with respect represents:

## I

That each of the petitioners herein is a taxpayer of the State of Louisiana.

## II

That the Beverly Country Club, Inc., a Louisiana corporation and doing business in and having its domicile in the Parish of Jefferson, State of Louisiana, is the owner of certain real estate and improvements thereon, which place together with the improvements thereon is known and widely advertised as the Beverly Country Club, and which property and improvements are located at the intersection of Labarre Road and Jefferson Highway in the Parish of Jefferson.

## III

That Philip Kastel, of full age of majority and domiciled in Jefferson Parish, is the President of said Corporation and the agent of such corporation in the operation of the Beverly Country Club which is a notorious and public gambling place where within said building known as Beverly Country Club, there is under general invitation to the public, daily being conducted various gambling games and games of chance which are played for money and wagers and tokens and which place is managed to the profit of the individual owners and not exclusively to the direct profit of the actual participants in such games.

## IV

That the same gambling games and games of chance referred to consist of blackjack, dice games, roulette wheels, card games, and slot machines, all of which are maintained and run by the operators and employees of the said Beverly Country Club to the profit of the operations and not to the direct profit of the actual participants in such games.

## V

That in furtherance of said gambling games and business there is installed on the premises known as Beverly Country Club expensive and ornate gambling equipment consisting in part of numerous slot machines, many dice or "crap" tables, card tables, and roulette wheels.

## VI

That the said gambling business has been operated at Beverly Country Club in an open, illegal and notorious manner with a general invitation to the public to participate in the games, said business being conducted primarily at night in a prominently illuminated building and quarters.

## VII

That a gambling business has been conducted at said premises over several years and particularly has been conducted daily at said Beverly Country Club for a period of at least thirty days immediately prior to the filing of this suit.

## VIII

That said Beverly Country Club is a gambling house and a public nuisance as defined by Act 192 of 1920 of the Louisiana Legislature, as amended, and the owner, operators and occupants of said business and building are guilty of maintaining a public nuisance.

## IX

Petitioners herein are entitled to have the nuisance created by such gambling house abated and entitled to have a rule issued against said defendants, Beverly Country Club, Inc., and Philip Kastel, to show cause why the nuisance complained of should not be abated and why an injunction without bond should not issue restraining the operation of such gambling house and restraining the use thereof of such building and premises for any purpose for one year and enjoining the defendants forever from conduction or being concerned in conducting or operating a like public nuisance anywhere within this State.

## X

Petitioners therefore pray that a rule issue herein commanding the defendants, Beverly Country Club, Inc., and Philip Kastel, to show cause on a day fixed by this Honorable Court, and within five days from the issuance of the

said rule, why the public nuisance known as Beverly Country Club should not be abated and why an injunction should not issue restraining the operation of such gambling house known as Beverly Country Club and forever enjoining said defendants from conducting or being concerned in conducting or operating a like public nuisance anywhere within the State of Louisiana, and why an order of abatement should not be entered directing that the premises and building known as Beverly Country Club shall be closed for one year and shall not be used for any other purposes during that period.

Petitioners further pray that the defendants be duly cited to appear and answer this petition, that said Beverly Country Club, Inc., be cited through its agents, and that they be served with a copy of this petition and that after due and legal proceedings had that a judgment be entered herein in favor of petitioners and against the said defendants ordering that the said nuisance known as Beverly Country Club be abated and that the Beverly Country Club be closed for one year, and not used for any other purpose whatsoever during that period and that a permanent injunction issue restraining the operation of such place as a gambling house, and that the defendants be enjoined forever from conducting or being concerned in conducting a like public nuisance anywhere within the State of Louisiana.

Petitioners pray for all general and equitable relief.

(Signed:)

D. I. Tanner	Norman A. Maunz	A. P. Ellzey
I. L. Bridges	James B. Gwin	D. B. Fortinberry
Paul H. Alverson	Irving T. Ton	Robert L. Gray
R. E. Crawford	Jett C. Arthur, Jr.	Mrs. John D. Palmer
Herman A. Ritter	Louis C. Proctor	T. J. Lewis
David Meaux	James Robert	T. O. Winn
W. N. Ellis	B. F. Summers	

(Signed) JAMES I. McCAIN, *Attorney.*

AFFIDAVIT

STATE OF LOUISIANA,  
*Parish of Orleans:*

BEFORE ME, the undersigned authority, personally came and appeared:

D. I. Tanner	Norman A. Maunz	A. P. Ellzey
I. L. Bridges	James N. Gwin	D. B. Fortinberry
Paul H. Alverson	Irving T. Ton	Robert L. Gray
R. G. Crawford	Jett C. Arthur, Jr.	Mrs. John D. Palmer
Herman S. Ritter	Lewis C. Proctor	T. J. Lewis
David Meaux	James Robert	T. O. Winn
W. N. Ellis	Bedford F. Summers	

who, after being duly sworn, did depose and say:

That they are the petitioners in the above and foregoing petition; that they have read same and that all of the facts and allegations therein contained are true and correct to the best of their knowledge, information, and belief.

(Signed:)

D. I. Tanner	Norman A. Maunz	A. P. Ellzey
I. L. Bridges	James B. Gwin	D. B. Fortinberry
Paul H. Alverson	Irving T. Ton	Robert L. Gray
R. G. Crawford	Jett C. Arthur, Jr.	Mrs. John D. Palmer
Herman S. Ritter	Lewis C. Proctor	T. J. Lewis
David Meaux	James Robert	T. O. Winn
W. N. Ellis	B. F. Summers	

Sworn to and subscribed before me this 5th day of July 1947.

[SEAL]

(Signed) JAMES I. McCAIN, *Notary Public.*

ORDER

Upon consideration of the foregoing petition and affidavit and the law, especially Act 192 of 1920, as amended,

IT IS ORDERED that a rule issue herein commanding the Beverly Country Club, Inc., through its proper officers, and Phillip Kastel, to show cause in open court on the 11th day of July, 1947, at 10 A. M. o'clock why the alleged gambling house operated under the name of Beverly Country Club should not be abated and why

an injunction should not issue prohibiting and restraining the operation of the said gambling house and why an injunction should not issue perpetually prohibiting and enjoining the said Beverly Country Club, Inc., and Philip Kastel from conducting or being concerned in conducting another like nuisance anywhere in the State of Louisiana, and why an order of abatement should not be entered directing that the said Beverly Country Club be effectually closed for one year and not be used for any purpose whatsoever during that period.

(Signed) LEO W. McCUNE, *Judge*.

GRETNA, LOUISIANA, *July 7th, 1947.*

—————  
 TWENTY-FOURTH JUDICIAL DISTRICT COURT FOR THE PARISH OF JEFFERSON,  
 STATE OF LOUISIANA

NUMBER 20062. DIVISION "A." DOCKET ———

*A. P. Ellzey v. Original Club Forest, Inc., et al.*

Filed: Aug. 8, 1947.

(Signed) C. BORDENAVE, *Deputy Clerk*.

*To the Honorable the Judges of the Twenty-Fourth Judicial District Court for  
 the Parish of Jefferson, State of Louisiana:*

The petition of:

A. P. Ellzey  
 I. L. Bridges  
 W. N. Ellis  
 James R. Gwin  
 Lewis C. Proctor  
 W. R. Branham  
 Irving V. Ton  
 Herman S. Ritter

W. E. Bergman  
 Errol E. Buckner  
 Arthur W. Hébert  
 H. T. Fowlkes  
 Charles A. Deuchert  
 D. O. Thomas  
 Carl Hamalainen  
 Norman A. Maunz

each of full age of majority and domiciled and residents of the Parish of Jefferson, and citizens of the State of Louisiana, with respect represents:

I

That each of your petitioners herein is a taxpayer of the State of Louisiana, and of the Parish of Jefferson.

II

That the Original Club Forest, Inc., a Louisiana corporation and doing business in and having its domicile and registered office in the Parish of Jefferson, is the owner of certain real estate and improvements thereon, which place together with the improvements is widely advertised and known as the Original Club Forest, and which property and improvements are located at 407 Jefferson Highway in the Parish of Jefferson, State of Louisiana.

III

That Lawrence J. Luke, of full age of majority and domiciled in Jefferson Parish, is the president of the said corporation and the agent of such corporation in the operation of Original Club Forest, also known as Club Forest.

IV

That the said Original Club Forest is a notorious and public gambling place wherein said building designated as Original Club Forest, there is under general invitation to the public, daily being conducted various gambling games and games of chance which are played for money and wages and tokens and which place is managed to the profit of the individual owner or owners and not exclusively to the direct profit of the actual participants in such games.

## V

That the said gambling games and games of chance referred to consist of black jack, dice games, roulette games, and card games, all of which are maintained and run by the operators and employees of the said Original Club Forest for the profit of the owner or owners thereof and not to the direct profit of the actual participants in such games.

## VI

That in furtherance of said gambling games and business there is installed on the premises known as Original Club Forest, expensive and ornate equipment consisting in part of numerous slot machines, many dice or "crap" tables, card tables, and roulette wheels.

## VII

That the said gambling business has been operated at the Original Club Forest in an open, illegal and notorious manner, with a general invitation to the public to participate in the games, said business being conducted primarily at night in a prominently illuminated building.

## VIII

That the said gambling business has been conducted at the said premises for over several years past and particularly daily at said Original Club Forest, also known as Club Forest, for a period of at least thirty (30) days prior to the filing of this suit.

## IX

That said Original Club Forest is a gambling house and a public nuisance as defined by Act 192 of 1920 of the Louisiana Legislature, as amended, and the said Original Club Forest, Inc., and Lawrence J. Luke are guilty of maintaining a public nuisance.

## X

Petitioners herein are entitled to have the nuisance created by such gambling house abated, and entitled to have a rule nisi issue against said defendants, Original Club Forest, Inc., and Lawrence J. Luke, to show why the public nuisance complained of should not be abated and why an injunction without bond should not be issued restraining the operation of such gambling house and restraining the use thereof of such building and premises for any purpose for one year and enjoining the defendants forever from conducting or being concerned with conducting a like public nuisance anywhere within the State of Louisiana.

## XI

Petitioners therefore pray that a rule issue herein commanding the defendants, Original Club Forest, Inc., and Lawrence J. Luke, to show cause on a day fixed by this Honorable Court and within five (5) days of issuance of said rule why the public nuisance known as Original Club Forest, or Club Forest, should not be abated, and why an injunction should not issue restraining the operation of such gambling house known as Original Club Forest and forever enjoining said defendants from conducting or being concerned in conducting a like public nuisance anywhere within the State of Louisiana, and why an order of abatement should not be entered directing that the premises and building known as Original Club Forest or Club Forest be closed for one year and not used for any purpose during that time.

Petitioners further pray that the defendants be duly cited to appear and answer this petition, with the Original Club Forest, Inc., being duly cited through its proper agents and officials, and that each defendant be served with a copy of this petition, and that after due legal proceedings had, that a judgment be rendered in favor of petitioners and against said defendants ordering and directing that the said nuisance known as Original Club Forest or Club Forest, be abated and closed for one year and not used for any purpose during that period, and that a permanent injunction issue restraining the operation of such place as a gambling house, and that the defendants be enjoined forever from conducting or being concerned in conducting a like public nuisance anywhere within the State of Louisiana.

Petitioners pray for all general and equitable relief.

(Signed:)

A. P. Ellzey	Lewis C. Proctor	W. E. Bergman	Charles A. Deuchert
I. L. Bridges	W. R. Branham	Errol E. Buckner	D. O. Thomas
W. N. Ellis	Irving V. Ton	A. W. Herbert	Carl Hamalainen
James R. Gwin	Herman S. Ritter	H. T. Fowlkes	Norman A. Maunz

JAMES I. McCAIN,  
*James I. McCain, Attorney.*

AFFIDAVIT

STATE OF LOUISIANA,

*Parish of Orleans:*

Before me, the undersigned authority, personally came and appeared:

A. P. Ellzey	Irving V. Ton	Chas. A. Deuchert
I. L. Bridges	Herman S. Ritter	D. O. Thomas
W. N. Ellis	W. E. Bergman	Carl Hamalainen
James B. Gwin	Errol E. Buckner	Norman A. Maunz
Lewis C. Proctor	A. W. Herbert	
W. R. Branham	H. T. Fowlkes	

who, after being duly sworn, did depose and state:

That they are the petitioners in the above and foregoing petition; they have read same and that all of the facts and allegations therein contained are true and correct to the best of their knowledge, information, and belief.

Sworn to and subscribed before me on this 28th day of July 1947.

[SEAL]

(Signed) JAMES I. McCAIN, *Notary Public.*

ORDER

Upon consideration of the foregoing petition and affidavit and law, especially Act 192 of 1920, as amended,

IT IS ORDERED that a rule issue herein commanding the Original Club Forest, Inc., through its proper officers, and Lawrence J. Luke, to show cause in open court on the 21st day of August 1947, at 10:30 A. M. o'clock, why the alleged gambling house operated under the name of Original Club Forest, or Club Forest, should not be abated and why an injunction should not issue prohibiting and restraining the operation of the said gambling house and why an injunction should not issue perpetually prohibiting and enjoining the said Original Club Forest, Inc., and Lawrence J. Luke, from conducting or being concerned in conducting another like public nuisance anywhere in the State of Louisiana, and why an order of abatement should not be entered directing that the Original Club Forest be effectually closed for one year and not be used for any purpose whatsoever during that period.

(Signed) L. ROBERT RIVARDE, *Judge.*

GRETNA, LOUISIANA, August 12th, 1947.

EXHIBIT NO. 19

CIVIL DISTRICT COURT FOR THE PARISH OF ORLEANS, STATE OF LOUISIANA

NO. 239-741. DIVISION "A." DOCKET 5

*Mrs. Viola Liraudais, wife of John Joseph Grosch, v. John Grosch*

COMMUNITY SETTLEMENT

A judgment of Separation from bed and board, having been rendered on the 16th day of June 1941, and signed on the 20th day of June 1941, between Mrs. VIOLA LIVAUDAIS GROSCH, and the community of acquets and gains existing between the parties hereto, having been dissolved, the parties hereto, Mrs. VIOLA LIVAUDAIS GROSCH and JOHN JOSEPH GROSCH, desire by these presents to, by mutual consent, settle and liquidate the community of acquets and gains by agreement between themselves, which agreement is hereto entered into, as follows:

I

In consideration of JOHN JOSEPH GROSCH paying unto her the sum of five thousand dollars (\$5,000.00) cash in hand, receipt of which is hereby acknowledged, and other valuable consideration, the said Mrs. VIOLA LIVAUDAIS, wife of JOHN JOSEPH GROSCH, agrees and binds herself unto the following:

## II

That she does by these presents, in full settlement of her community rights, transfer, set over, assign, and abandon unto JOHN JOSEPH GROSCH, heirs and his assigns, now and forever, all of the following-described property, and all rights of every kind and nature whatsoever that she may have in and to the said property:

TWO CERTAIN LOTS OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes, and appurtenances hereunto belonging or in anywise appertaining, situated in the Second District of the City of New Orleans, in that part thereof known as "Lake-view" in the Square No. 285, which is bounded by Conti Boulevard (now Canal Boulevard), French, Bienville, and Germaine Streets, designated as lots Nos. forty-seven and forty-eight, measuring each twenty-five feet front on Conti (now Canal) Boulevard, by one hundred and twenty-nine feet deep between equal and parallel lines, lot No. forty-eight forming the corner of Conti (now Canal) Boulevard and French Streets.

Which said property was acquired by the vendor herein from Adloe Orr by act of sale before U. Mariononi, Jr., Notary Public, under date of July 29th, 1924, and registered in C. O. B. 375, Folio 558.

Acquired by Mrs. Viola Livaudais Grosch, wife of John J. Grosch, and John J. Grosch, by Act of Sale before Michael M. Irwin, Notary Public, on the 15th day of November 1933 and recorded in C. O. B. 473, folio 338.

\* \* \* \* \*

FOUR CERTAIN LOTS OF GROUND, together with all the buildings and improvements thereon, together with all the rights, ways, servitudes, privileges, and appurtenances thereunto belonging or in anywise appertaining, situated in the Sixth District of the City of New Orleans, in Square No. 285, bounded by Canal Boulevard, Louis 14th (formerly Bienville), French, and Germaine Streets. Said lots are designated by the Nos. 39, 40, 43, and 44, each having a frontage of 25 feet on Canal Boulevard by a depth of 129 feet between equal and parallel lines.

## RESTRICTIONS

The buyer agrees that there shall not be erected on this property any residence to cost less than three thousand dollars; that no business establishment shall be erected or operated without the consent of the seller and of the owners of two-thirds of the property within a radius of three hundred feet, or of said proportion of owners in the event of the liquidation or nonexistence of the seller; that the front of no house improvements or extension thereof shall be built or set nearer than fifteen feet from the property line; that lots shall be sold only to people of the white race.

Acquired by John J. Grosch by act of sale before Thomas Tomeny, Notary Public, on the 1st day of February 1934, and recorded in C. O. B. 475, folio 500.

\* \* \* \* \*

TWO CERTAIN LOTS OF GROUND, together with all the buildings and improvements thereon, and all the rights, ways, privileges, servitudes, and appurtenances thereunto belonging or in anywise appertaining, situated in the Second District of the City of New Orleans, in that part thereof known as LAKE-VIEW, in Square 285, which is bounded by Conti Boulevard (now Canal Boulevard), French, Bienville, now Louis 14th, Germaine, said lots being designated as Nos. 45 and 46, measuring each twenty-five feet front on Conti Boulevard (now Canal Boulevard) by 129 feet in depth between equal and parallel lines.

## RESTRICTIONS

That there shall not be erected on this property, any residence to cost less than three thousand dollars; that no business establishment shall be erected or operated within the consent of the seller and of the owners of two-thirds of the property within the radius of three hundred feet; or said proportion of owners in the event of the liquidation or nonexistence of the seller; that the front of no house, improvement or extension thereof shall be built or set nearer than 15 feet from the property line; that lots shall be sold only to people of the white race.

Acquired by Mrs. Viola Livaudais, wife of John J. Grosch, and John J. Grosch on the 19th day of January, 1934, before Michael M. Irwin, Notary Public and recorded in C. O. B. 475, folio 475.

Also all rights, titles and interest of every kind whatsoever that she has, had or may have, in and to a certain promissory note dated February 5th, 1936, and payable on demand for the sum of fifty-two hundred dollars (5,200.00) payable to the order of John J. Grosch, and signed by Carrie J. Bultmann, and which note is paraphed "LE VARIETUR," to identify it with an act of mortgage passed on February 5th, 1936, before Russell J. St. Paul, Notary Public.

### III

And the said Mrs. Viola Livaudais in consideration of the above does also hereby assume, and agree to deliver unto John J. Grosch, all silver which she now has in her possession, and which silver is part of a set consisting of six pieces each, which she took from the premises on Canal Boulevard, No. 6168, belonging to the community of acquets and gains. That the said Mrs. Viola Livaudais does hereby transfer, assign, set over, abandon, and deliver unto the said John J. Grosch, as further consideration of this agreement, all furniture, silverware, and all other articles of furniture and furnishings of every kind contained in the premises No. 6168 Canal Boulevard in full ownership unto him.

### IV

And now the said Viola Livaudais, wife of John L. Grosch, does assume as further consideration of this agreement all Court costs, that she may have expended in this suit or to be expended, all Notary fees that may be due or expended in this suit, and all attorneys' fees that may have been incurred by her in this suit or incidental to this suit.

And now comes Eugene H. Walet, Jr., and G. Philson Williamson, attorneys at law and attorneys of record for Mrs. Viola Livaudais, who join her in this settlement and agreement, and who do intervene herein, and who do state that in consideration of their fee having been assumed by Mrs. Viola Livaudais, wife of John J. Grosch, that they do now and forever, waive, abandon and relinquish any right to any fees whatsoever either as attorneys or notaries against the said John J. Grosch, growing out of this case, and do especially waive and estop themselves from claiming any further fees or any fees whatsoever from the said John J. Grosch, because of any services rendered or to be rendered herein.

### V

IT IS FURTHER AGREED that the further consideration of the above agreement is that the said Mrs. Viola Livaudais, wife of John J. Grosch, does now and further in consideration of the above, and other valuable consideration, waive all rights to any alimony pendente lite, or any further alimony whatsoever from the said John Grosch and all alimony claims are settled and liquidated by her by this agreement.

### VI

IT IS FURTHER AGREED that the fee of the Notary Public who passes this act of agreement shall be paid by both parties hereto.

And now the parties having agreed to the above do in the presence of each other and me, Notary, and of the undersigned witnesses, sign the agreement and consider it as a full and complete settlement of all community rights existing between the parties.

THUS DONE AND SIGNED this 21st day of June 1941.

Original signed:

MRS. VIOLA LIVAUDAIS GROSCH.  
JOHN J. GROSCH.  
EUGENE WALET, JR.  
G. PHILSON WILLIAMSON.

Witnesses:

Ellen Froeba.  
Leonora Tedesco.

[SEAL]

EMILY ASHMOORE, *Notary Public.*

A true copy of the original in my notarial records:

[SEAL]

EMILY ASHMOORE, *Notary Public.*



## EXHIBIT No. 20

STATE OF LOUISIANA,

*Parish of Orleans, City of New Orleans:*

BEFORE ME, the undersigned authority, personally came and appeared:

MRS. VIOLA LIVAUDAIS, wife of JOHN J. GROSCH, who declared under oath to me Notary, that she signed a settlement of the community property between her and her husband, which settlement is of record in the Civil District Court for the Parish of Orleans, in case No. 239-741 and that in said settlement, signed and filed in that record, the ostensible settlement was five thousand dollars (\$5,000.00) and other valuable consideration.

That MRS. VIOLA LIVAUDAIS, wife of JOHN J. GROSCH, does now declare unto me, Notary, that she received from the said JOHN J. GROSCH as other valuable consideration of that settlement in addition to five thousand dollars (\$5,000.00), the following, all rights, titles, and interest that the community owned in and to the following described property:

Credit in Book 625A, Globe Homestead Association in the name of Mrs. VIOLA GROSCH.

Credit in Book 13979, Security Building and Loan Association in the name of Mrs. VIOLA GROSCH.

Credit in Book 474, Central Homestead Association in the name of Mrs. VIOLA LIVAUDAIS.

Credit in Book 7412, Phoenix Building & Loan Association in the name of Mrs. VIOLA GROSCH.

Credit in Book 12299, Dixie Homestead Association in the name of Mrs. VIOLA GROSCH.

Credit in Book 31092, Eureka Homestead Society in the name of Mrs. VIOLA GROSCH.

Credit in Book 2217, Globe Homestead Association in the name of Mrs. VIOLA GROSCH.

All cash which she has received from the home, and all other cash which she had in her possession, either in banks or otherwise, which belonged to the community of acquets and gains, together with all jewelry and other personalty of a like kind and nature.

A certain Buick automobile, bearing Motor No. — Serial No. —, being of the 1937 year model, and being a sedan.

Eighteen Thousand Dollars (\$18,000.00) in cash.

And that all of these things were received by her in addition to the five thousand dollars (\$5,000.00) shown in the community settlement filed in the record herein and that she acknowledges that she received same and in consideration of same she settles all of her community rights and further that she waives and abandons all rights to any alimony now and forever against the said JOHN JOSEPH GROSCH, her former husband.

And now comes JOHN JOSEPH GROSCH, who declares under oath, unto me, Notary, that he does hereby waive and relinquish all right, title, and interest in and to the property hereinabove set forth, consisting of cash, moneys on deposit with the various Homestead Associations, and other personal property, hereinabove referred to, and further declares that all right, title, and interest thereto is vested in Mrs. VIOLA LIVAUDAIS GROSCH, and that he does hereby agree and bind himself to hold the said Mrs. VIOLA LIVAUDAIS GROSCH harmless for payment of any and all taxes of every nature and kind whatsoever owed and all claims accrued or which may accrue against the community of acquets and gains, save and except such debts as Mrs. VIOLA LIVAUDAIS GROSCH herself might have incurred either individually or against the community since.

THUS DONE AND SIGNED by the said Mrs. VIOLA LIVAUDAIS GROSCH in the presence of her attorney EUGENE WALET and G. PHILSON WILLIAMSON, who have signed as witnesses to this receipt and of me, Notary, this 21st day of June, 1941.

Original signed:

MRS. VIOLA LIVAUDAIS GROSCH.  
JOHN J. GROSCH.  
EMILY ASHMOORE.  
Not. Pub.

WITNESSES:

EUG. H. WALET, Jr.

G. PHILSON WILLIAMSON.

NOTE.—It is agreed and understood that this agreement and the agreement of community settlement as contained in No. 239-741 will not become effective or binding on either party until the judgment of separation from bed and board

which has been filed in suit No. 239-741 has been granted and the decree of separation from bed and board signed.

This contract made and entered into on this 5th day of June 1941, in the presence of the undersigned competent witnesses, by and between Eugene H. Walet, Jr., attorney at law, a resident of the Parish of Orleans, hereinafter referred to as attorney and Mrs. Viola Livaudais, wife of John Joseph Grosch, hereinafter referred to as client.

WITNESSTH: That whereas client has employed attorney to represent her in the prosecution of proceedings against her husband in a suit for separation from bed and board; and whereas attorney has filed such proceedings, being numbered 239-741 of the docket of the Civil District Court for the Parish of Orleans.

That client does hereby agree that attorney is to prosecute to conclusion the above-numbered suit for a separation from bed and board from the said John Joseph Grosch, and, upon attorney securing client's remaining community property now held by client and valued at approximately \$12,700.00 and securing an additional cash settlement of \$15,000.00 client binds herself to pay court costs advanced in such proceedings and a fee of \$2,000.00 to said attorney; client further binds herself to pay attorney an additional fee of 15% of any amount in excess of \$15,000.00 secured by attorney in the cash settlement above referred to, said fee or fees to be paid at time of community settlement.

In witness whereof, we have hereunto set our hands and seals this 5th day of June 1941.

VIOLA LIVAUDAIS GROSCH.  
EUGENE H. WALET, JR.

NEW ORLEANS, LA., June 21, 1941.

In connection with the abovematter, having secured judgment granting Separation from Bed and Board in favor of Mrs. Viola Livaudais Grosch and having effected a settlement of community property in the amount of \$35,700.00, we hereby acknowledge receipt of all fees in full in the sum of \$3,200.00 plus costs of \$77.15.

EUGENE H. WALET, JR.  
G. PHILSON WILLIAMSON.

EXHIBIT No. 22



[From the New Orleans Item, May 6, 1946]

"JUST A GIFT FOR JOHNNIE"

A luxurious 1946 Cadillac automobile was presented to John J. Grosch, new criminal sberiff, by unnamed friends today.

The presentation was made a few minutes before Mr. Grosch took over his new office.

Sidney (Duke) Schaeffer, who is in the coin-operated machine business, said that the auto had been given by "businessmen" friends of Mr. Grosch.

Richard A. Dowling, attorney for Mr. Grosch, who made the presentation, was asked to give the names of the friends, but refused.

"This auto is presented to Johnny Grosch by his many friends," said Mr. Dowling. "It is being presented in behalf of a thousand persons. I cannot give you their names as they wish to remain anonymous, and I must respect their wishes."

The new machine of the former detective chief is a swanky four-door maroon-colored vehicle, and cost approximately \$2,675.

"There are no strings attached to the gift," Mr. Dowling added.

Mr. Dowling said that the aid of Congressmen was obtained to facilitate the purchase of the auto.

"The car was not bought here," explained Mr. Dowling. "It was bought in Washington. We pulled all sorts of strings to get it, using even the help of Congressmen."

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